



CHAPTER – II
SOCIAL SECTOR

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PART-I
PERFORMANCE & COMPLIANCE AUDIT
ON DEPARTMENTS UNDER SOCIAL
SECTOR



CHAPTER – II: SOCIAL SECTOR

PART I Performance and Compliance Audits on Departments under 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 2022-23, total budget allocation of the State Government in Departments under Social Sector was ₹8,347.26 crore, against which the actual expenditure was ₹7,120.68 crore (85.31 per cent). 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	Budget			Expenditure			Expenditure (in per cent)
		Revenue	Capital	Total	Revenue	Capital	Total	
1	Art and Culture Affairs	14.67	3.20	17.87	13.89	2.94	16.83	94.18
2	Disaster Management	315.4	0.00	315.40	189.67	0.00	189.67	60.14
3	Education	2996.33	264.00	3260.33	2581.53	208.12	2789.65	85.56
4	Health and Family welfare	1538.99	133.36	1672.35	1480.63	97.46	1578.09	94.36
5	Indigenous Affairs	32.53	20.15	52.68	32.40	17.78	50.18	95.25
6	Information and Public Relations	54.22	5.02	59.23	54.65	4.25	58.90	99.43
7	Karmik and Adhyatmik (Chos-Rig) Affairs	6.28	19.47	25.75	5.85	19.71	25.56	99.26
8	Labour and Employment	12.66	0.30	12.96	10.73	0.30	11.03	85.11
9	Library	18.30	0.35	18.65	14.71	0.35	15.06	80.75
10	Political	3.13	0.00	3.13	2.46	0.00	2.46	78.59
11	Public Health Engineering and Water Supply	870.60	463.87	1334.47	633.97	430.35	1064.32	79.76
12	Research	19.67	2.03	21.70	19.61	1.78	21.39	98.57
13	Skill Development and Entrepreneurship	57.33	4.40	61.73	47.71	3.94	51.65	83.67
14	Social Justice, Empowerment and Tribal Affairs	80.60	174.89	255.49	75.67	159.65	235.32	92.11
15	Social Welfare, Women and Child Development	446.56	5.23	451.79	298.09	4.05	302.14	66.88
16	Sports and Youth Affairs	81.62	53.98	135.60	80.47	35.13	115.60	85.25
17	Town Planning	122.01	195.86	317.87	86.29	195.26	281.55	88.57
18	Urban Development & Housing	144.92	185.34	330.26	127.42	183.86	311.28	94.25
Total		6815.82	1531.45	8347.26	5755.75	1364.93	7120.68	85.31

Source: Appropriation Accounts, 2022-23

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

- During 2022-23, the expenditure incurred by the Departments ranged between 60.14 and 99.43 *per cent* of the allocations.
- The expenditure in all the Departments under this sector was less than their respective budgetary allocations for the year.
- Eight Departments *viz.* Social Justice, Empowerment and Tribal Affairs (92.11 *per cent*), Art and Culture Affairs (94.18 *per cent*), Health and Family Welfare (94.36 *per cent*), Urban Development & Housing (94.25 *per cent*), Indigenous Affairs (95.25 *per cent*), Research (98.57 *per cent*), Karmik and Adhyatmik (Chos-Rig) Affairs (99.26 *per cent*), Information and Public Relations (99.43 *per cent*) incurred expenditure of more than 90 *per cent* of the total budget allocation during 2022-23.
- The Revenue Expenditure in the sector was ₹5,755.75 crore (80.83 *per cent* of the total expenditure).
- The Capital Expenditure in the sector was ₹1,364.93 crore (19.17 *per cent* of the total expenditure).

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 36 units of 10 Departments involving expenditure of ₹3,438.22 crore during 2022-23 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 causing it to be laid before the State Legislature.

This Chapter contains audit observations on one Performance Audit *viz.* "Collection of Building and Other Construction Workers Welfare Cess and its utilisation", three Subject Specific Compliance Audits *viz.* "Public Health Infrastructure and Management of Primary Health Services", "National Social Assistance Programme and "Pre and Post Matric Scholarship Schemes Belonging to Scheduled Tribes Students of Arunachal Pradesh" along with two compliance audit paragraphs.

Performance Audit
Labour Department**2.2 Collection of Building and Other Construction Workers Welfare Cess and its utilisation**

A Performance Audit (PA) of the “*Collection of Building and Other Construction Workers Welfare Cess and its utilisation*” in Arunachal Pradesh was carried out covering the period from 2017-18 to 2021-22 involving test check of records of four sampled districts, including two works Departments in each sampled district. The performance audit brought out the following significant findings.

Highlights

- *Every employer undertaking construction work, would make an application to the registering officer for registration of the establishment within 60 days from the commencement of the work. Only one establishment was registered in 2017 at Itanagar and no establishment was registered with the Department in any other sampled district and no cess assessment was done during 2017-18 to 2021-22. 24 per cent of the registered labour had other occupations viz., government service, business etc. However, department failed to ensure registration of establishments. Despite availability of manpower, the Registering Officer and Assessing Officer did not conduct inspection of the establishments to assess the amount of cess payable by the employer in violation of the extant Rules.*

(Paragraph 2.2.3.1 and 2.2.3.2)

- *The State Government was yet to transfer cess amount of ₹127.68 crore to the Board as of March 2022, leaving lesser fund for welfare of Construction Labour.*

(Paragraph 2.2.3.4)

- *The designated Chief Inspector and Inspectors at District level did not conduct any inspection on the construction works at site for ensuring compliance and safety of the labour during 2017-18 to 2021-22.*

(Paragraph 2.2.3.5)

- *The Board entered into agreements with two Training Providers (TPs) who were not empanelled with National Skill Development Corporation (NSDC) or Construction Skill Development Council of India (CSDCI). Differences were noticed between the number of beneficiaries to be trained and the number actually trained, resulting in excess payment to the Training Providers.*

(Paragraph 2.2.5.1 and 2.2.5.2)

- *Labour bags, tiffin carriers and face masks and sanitizers were procured at higher rates.*

(Paragraph 2.2.6 and 2.2.7)

- *Out of 381 cases of death benefit provided, there were discrepancies viz. mismatch in names, blank registration number, etc. in the registration records of 108 deceased registered labour vis-à-vis the payment advices provided by the Board.*

(Paragraph 2.2.11)

- *The Board incurred ₹8.73 crore against procurement of materials viz., computer items, Xerox machine, Air Conditioner etc. from four suppliers for which the Board paid GST amount of ₹1.20 crore during 2017 to 2021. However, the 165 invoices submitted by the suppliers had hand-written invoice serial numbers.*

(Paragraph 2.2.12)

- *Test check of records of 19 sampled projects showed that fund was sanctioned without feasibility study, administrative approval and accord of technical sanction for construction of labour sheds. The completed labour sheds were either lying without utilisation or were unauthorisedly occupied by local residents.*

(Paragraph 2.2.13)

- *In absence of an effective monitoring mechanism in the Board, implementation of skill development programmes and construction of labour sheds etc. were not implementing effectively.*

(Paragraph 2.2.14)

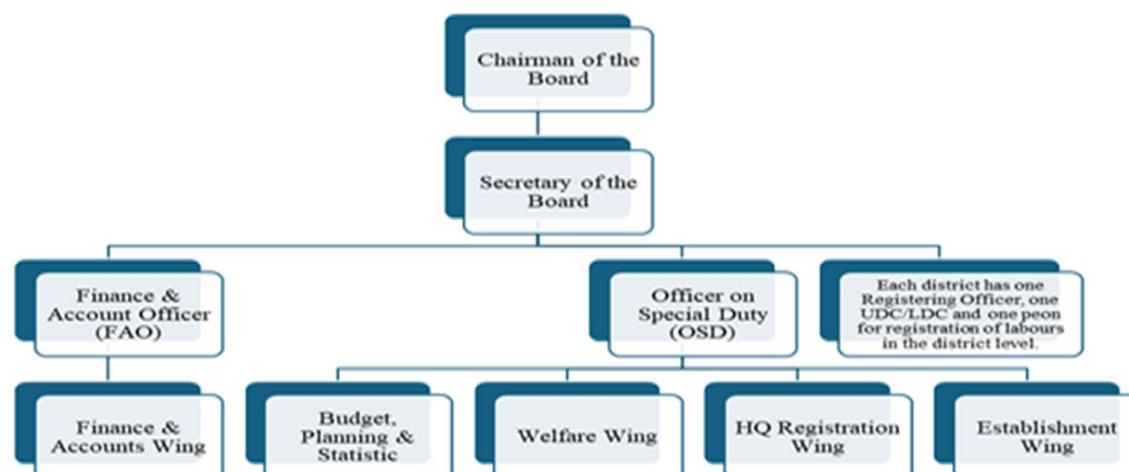
2.2.1 Introduction

Government of India (GoI) enacted (August 1996) the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 (the Act) and the Building and Other Construction Workers' Welfare Cess Act, 1996 (Cess Act) to regulate the employment and conditions of service and to provide safety, health and welfare measures to building and other construction workers. Accordingly, GoI also framed (March 1998) the Building and Other Construction Workers Welfare Cess Rules, 1998 (Cess Rules). The Ministry of Labour vide its notification dated 26 September 1996, stipulated levy of cess at the rate of one *per cent* of the total cost of construction on the employers. The provisions of the Act apply to "every establishment which employs or had employed on any day of the preceding twelve months, ten or more building workers in any building or other construction work". Further, the Act has provision for registration of eligible construction workers so that measures for the welfare of the beneficiaries may be taken.

For implementation of the Act in the State, the Government of Arunachal Pradesh constituted the Arunachal Pradesh Building & Other Construction Workers Welfare Board (APB&OCWWB – the Board) on 10 October 2005 under Section 18(1) of the Building and Other Construction Workers (Regulation of Employment and Conditions of Services) Act, 1996, Government of India (GoI), which started functioning from August 2007.

2.2.1.1 Organisational set up

The organisational structure of the Board is depicted in **Chart 2.1**.



The Board is headed by Chairman¹ and includes other 16² members. The Board (Chairman and 16 members of the Board) is the decision-making body for the implementation of policies, programmes and schemes for the registered labour in the State.

2.2.2 Framework Audit

2.2.2.1 Audit Objectives

The audit objectives were to assess whether:

- (i) the rules notified by the Government under the Act are consistent with the objectives of both the Central Acts;
- (ii) there was an efficient system for registration of establishments and beneficiaries;
- (iii) cess assessment, cess collection and transfer of collected cess to the Fund was efficient;
- (iv) Government prescribed appropriate health and safety norms and could ensure an environment of compliance to those norms by the employers;
- (v) Government implemented transparent and effective system of inspections to check evasion of labour cess and compliance with health and safety norms by employers; and
- (vi) administration and utilisation of fund on implementation of welfare schemes by the Board was efficient and effective and as per Act and rules framed by the State Government.

¹ Minister (Labour) Arunachal Pradesh is the Chairman

² One member is a Central Government nominee, five members are State Government representatives, five members are Employers Representatives, and five members are Workers Representatives

2.2.2.2 Audit criteria

The audit findings were benchmarked against criteria derived from the following sources:

- (i) Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996.
- (ii) State Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Rules, 1996.
- (iii) Building and Other Construction Workers' Cess Act 1996 and Cess Rules, 1998.
- (iv) Resolutions passed by the Board.
- (v) National Building Code of India, 2016 titled 'Construction Management, Practices and Safety'.
- (vi) Indian Standard Safety Code for Scaffolds and Ladders Part I & II (IS: 3696).
- (vii) Central Public Works Department Manual, 2014.
- (viii) General Financial Rules, 2005 and 2017.

2.2.2.3 Audit scope and Sampling methodology

The PA of Arunachal Pradesh Building and Other Construction Workers Welfare Board covered a period of five years *i.e.* 2017-18 to 2021-22 and was conducted during August 2022 to April 2023. The Audit scope involved test-check of all relevant records/ documents of Labour Department and the Board.

Further, offices of both these entities in four districts of the State (15 *per cent* of 25 districts) have also been audited. The districts and number of schemes were sampled as per the Performance Audit Guidelines and are depicted below:

Selection of districts and District Labour Offices:

- 7.5 *per cent* districts having maximum amount of benefits under all the welfare schemes subject to minimum of one district and maximum of three districts.
- 7.5 *per cent* districts having maximum contribution to the cess fund subject to minimum of one district and maximum of three districts.

Details of the districts, criteria for their selection and number of registered labour in these districts are shown in **Table 2.2**.

Table 2.2: Selection of Districts

Sl. No.	Criteria No.	District Sampled	No. of registered labour as on 31 March 2022
a.	I	i. Papum Pare (₹346.61 lakh)	10,860
		ii. East Kameng (₹90.56 lakh)	2,743
b.	II	iii. Namsai (₹2,795.33 lakh)	1,791
		iv. West Kameng (₹2,439.01 lakh)	5,887
Total population covered in selection			21,281³

Source: Records of the Board.

³ As per record available with the Board during field work

Out of 49,014 registered labour as on 31 March 2022, 43 per cent (21,281 in number) have been covered in sample selection. Further, Registering Officers of the Board i.e. District Labour Officers, Department of Labour; Works Departments (i.e., PWD, RWD etc. Government of Arunachal Pradesh (GoAP) of the sampled districts have also been covered in audit.

Selection of schemes/ component of expenditure

During 2017-18 to 2021-22, the Board implemented 25 model/ other welfare schemes, details are shown in **Table 2.3**.

Table 2.3: Expenditure on model welfare schemes out of labour cess funds in Arunachal Pradesh from 2017-18 to 2021-22

(₹ in lakh)

Sl. No.	Name of the scheme	Year wise expenditure					Total expenditure
		2017-18	2018-19	2019-20	2020-21	2021-22	
(A) Expenditure on Model Welfare Schemes							
1.	Insurance of Registered workers	0.00	11.77	8.55	0.00	2.02	22.34
2.	Medical	0.49	1.81	0.80	0.47	1.31	4.88
3.	Education	58.55	101.75	87.62	34.65	98.90	381.47
4.	Accidental Death Benefit	0.00	0.00	6.06	0.00	0.00	6.06
5.	Natural Death Benefit	55.53	73.72	105.56	3.06	123.85	361.72
6.	Marriage Assistance	0.20	1.60	2.60	0.00	2.80	7.20
7.	Maternity Benefit	0.16	0.19	0.28	0.02	0.77	1.42
8.	Medical Camp	350.00	405.00	350.00	800.00	900.00	2805.00
9.	Awareness Camp	457.57	432.00	992.00	216.00	540.00	2637.57
10.	Accommodation-cum-Labour shed & night shelter	800.00	795.00	537.50	717.50	975.00	3825.00
11.	Skill development	0.00	1065.00	840.57	1097.09	204.34	3207.00
Total (A)		1722.50	2887.84	2931.54	2868.79	2848.99	13259.66
(B) Expenditure on Other Welfare Schemes							
12.	14 Other Welfare Schemes*	1253.00	3706.00	1195.00	2065.00	4572.00	12791.00
Total (B)		1253.00	3706.00	1195.00	2065.00	4572.00	12791.00
Grand Total (A + B)		2975.50	6593.84	4126.54	4933.79	7420.99	26050.66

Source: Records of the Board

* Other Welfare Schemes viz. labour bags, tiffin carrier etc.

Out of these, audit sampled 10 schemes (includes Sl. No. A and B of **Table 2.3**) by considering the following strata as per Performance Audit Guidelines:

- (i) Seven⁴ schemes/ component of expenditure with maximum amount of financial assistance;
- (ii) Three schemes/ component of expenditure with moderate amount of financial assistance; and
- (iii) Two schemes/ component of expenditure having zero beneficiaries, if applicable⁵.

⁴ Including additional two schemes

⁵ Schemes having zero beneficiaries were not available in the State. Thus, two schemes with the lowest expenditure were selected

As per PA Guidelines, 10 schemes were sampled by applying random sampling without replacement using IDEA software. However, two additional schemes [*i.e.*, below serial no. (a) 1 & 4)] were also sampled in audit which was approved by the Statistical Advisor. The list of the sampled schemes is given in **Table 2.4**.

Table 2.4: Twelve Sampled schemes

Sl. No.	Name of the scheme/ component of expenditure	Year wise expenditure					Total expenditure
		2017-18	2018-19	2019-20	2020-21	2021-22	
(₹ in lakh)							
(a) First strata: Five schemes/ component of expenditure with maximum amount of financial assistance							
1.	Accommodation-Cum-Labour shed & night shelter	800.00	795.00	537.50	717.50	975.00	3825.00
2.	Skill development	0.00	1065.00	840.57	1097.09	204.34	3207.00
3.	Procurement of labour Tiffin	0.00	0.00	0.00	0.00	1238.53	1238.53
4.	Procurement of labour Bag	0.00	0.00	0.00	0.00	1237.05	1237.05
5.	Procurement of hand sanitizer	0.00	0.00	0.00	0.00	7,39.24	739.24
6.	Contribution to Chief Minister's Relief Fund	300.00	300.00	0.00	0.00	0.00	600.00
7.	Procurement of solar lamp	19.72	0.00	511.56	0.00	0.00	531.28
Total (a)							11378.10
(b) Second Strata: Three schemes/ component of expenditure with moderate amount of financial assistance							
1.	Procurement of face mask	0.00	0.00	0.00	0.00	483.37	483.37
2.	COVID-19 Relief	0.00	0.00	0.00	107.48	0.00	107.48
3.	Medical benefit	0.49	1.81	0.80	0.47	1.31	4.88
Total (b)							595.73
(c) Third strata: Two schemes/ component of expenditure with the lowest expenditure							
1.	Accidental death	5.05	8.07	7.07	0.00	9.09	29.28
2.	Maternity assistance	0.16	0.19	0.28	0.02	0.77	1.42
Total (c)							30.70
Grant Total (a to c)							12004.53

Source: Annual Accounts and records of the Board

Out of the total expenditure on welfare schemes of ₹260.52 crore during 2017-18 to 2021-22, the audit criteria covered 46 *per cent* (₹120.05 crore) of the expenditure.

Apart from the above, two audit units in each sampled District with highest expenditure on works amongst all the works related Departments such as Public Works Department (PWD), Public Health Engineering Department (PHED), Rural Development *etc.* were also sampled for audit. Besides Works Departments, Department of Town Planning, GoAP was also sampled to assess whether applicable labour cess was being collected and deposited with the Board while approving building plans.

The Performance Audit commenced with an Entry Conference with the Secretary of the Board on 22 August 2022 wherein the objectives and scope of the performance audit were explained. The examination of records and other evidence in the office of the Secretary of the Board and offices of the Registering Officers of the four sampled districts started from August 2022 and concluded in April 2023. The field audit also surveyed 100 beneficiaries in each of the four sampled districts. Further, the Joint Physical Verification (JPV) of construction of labour shed-cum-night shelters at 17 out of 49 sampled locations state-wide was also conducted during the field audit.

Audit findings were discussed with the Board and other State Departments in the Exit Conference held on 14 June 2023. The replies received from the Board (12 June 2023) and the discussion in the Exit Conference have been suitably incorporated in the report.

2.2.2.4 Selection of beneficiaries for survey in four sampled districts

The details of beneficiary survey of four sampled districts are given in **Table 2.5**.

Table 2.5: Sample details

Sl. No.	Name of the sampled district	Total No. of registered labour	No. of registered labour sampled
1.	Papum Pare	10,860	100
2.	West Kameng	5,887	100
3.	East Kameng	2,743	100
4.	Namsai	1,791	100
Total		21,281	400

Source: Records of the ROs, the Board

In four sampled districts⁶, 400 beneficiaries were surveyed (100 beneficiaries each from the four sampled districts) for beneficiary survey by applying random sampling method without replacement.

2.2.2.5 Acknowledgement

The Office of the Principal Accountant General, Arunachal Pradesh acknowledges the co-operation and assistance provided by the Labour Department and the Board, GoAP during conduct of this PA.

2.2.3 Audit findings

The findings of the PA are discussed in the succeeding paragraphs.

2.2.3.1 (i) Non-registration of establishments

Section 7 of the BOCW (RECS) Act, 1996 stipulates that every employer undertaking construction work, would make an application to the registering officer for registration of the establishment within 60 days from the commencement of the work. Further, Clause 5 of the Cess Act, 1996 and Clause 7 of the Cess Rules, 1998 stipulate that the Assessing Officer or authority shall assess the amount of cess payable by the employer.

Audit noticed that employers/ contractors did not register their establishments within 60 days from the commencement of the works as per the provisions of the Act.

Further, the office of the Labour Commissioner, Labour Department, GoAP, Itanagar has one Registering Officer and one Assessing Officer at Itanagar (Capital) and has District Labour Officers in each sampled district⁷. However, only one establishment was registered in 2017 at Itanagar and no establishment was registered with the Department

⁶ 1. Papum Pare (Itanagar), 2. West Kameng (Bomdila), 3. East Kameng (Seppa), and 4. Namsai (Namsai)

⁷ (1) Itanagar, (2) Bomdila, (3) Seppa and (4) Namsai

in any other sampled district and no cess assessment was done during 2017-18 to 2021-22. Despite availability of manpower, the Registering Officer and Assessing Officer did not conduct inspection of the establishments to assess the amount of cess payable by the employer in violation of the extant Rules.

In reply, the Board assured to pursue the matter with the Department for early reply.

Recommendation: The State Government may ensure that every establishment be registered and frequent assessment of the labour cess amount payable by the employer to the Board may be conducted.

(ii) Non-fulfillment of provisions of Model Welfare Schemes

The Model Welfare Scheme guidelines suggested that the State may take up the following measures to strengthen the machinery for registration of establishments, which, inter alia, includes:

- The registration of establishments should be made on-line to make the process of registration quicker and to minimise public interface [Clause B],
- The State Governments should issue directions to all Departments/ State undertakings/ local bodies in their jurisdiction to timely forward a copy of the allotment of work order with regard to construction activity to be carried out, to the relevant registration, cess collection and cess assessment authorities appointed under the BOCW Act by the State [Clause C],
- The state governments should develop a mechanism for regular monitoring of construction activities going on in the state and make use of Geographic Information System (GIS) technology/ mapping *etc.*, for the purpose [Clause D].

Audit noticed that the measures suggested in the Model Welfare Scheme guidelines for strengthening the machinery for registration of establishments were not complied with in the State. Registration of establishments was made offline, the State Government has not issued directions to all Departments/ State undertakings, *etc.*, to forward a copy of work orders to the DLOs/ LO with regard to construction activities to be carried out in their jurisdictions and no mechanism was developed by the State for regular monitoring of construction activities ongoing in the State using GIS technology/ mapping *etc.* Thus, the State did not comply with the suggestions for strengthening the machinery for registration of establishments as per the Model Welfare Scheme guidelines

2.2.3.2 Registration of ineligible beneficiaries

Section 12 of the Act stipulates that those who have completed eighteen years but have not completed sixty years of age and who have been engaged in any building or other construction work for not less than 90 days during the preceding 12 months shall be eligible for registration as a beneficiary. Further, Section 14 stipulates that a building worker who has been registered as a beneficiary under the Act shall cease to be registered labour when he/she attains the age of 60 years or when he/she is not

engaged in building or other construction work for not less than 90 days in a year. Also, it is stipulated that the registered labour is eligible as beneficiary only upto three years which may be extended further after renewal of the registration.

Out of total 49,014 of registered labour in Arunachal Pradesh, 21,281 were sampled in four districts for test check of records. Audit, however observed that the Board did not examine/check the authenticity of the applications before registration. Thus, audit observed the following:

- Out of 21,281 registered labour, 5,149 (24 *per cent*) registered labour had other occupations *viz.* government employment, business *etc.* Further, out of these 5,149 registered labour, only 4,145 had renewed their registrations.
- 2,326 (11 *per cent*) registered labour, out of 21,281 registered labour, did not mention the occupations in the registration records. Further, out of these 2,326 registered labour, only 339 had renewed the registrations.
- Out of 21,281 registered labours, only 13,806 registered labours were building workers. Further, out of these 13,806 registered labours, only 9,834 (71 *per cent*) had renewed their registrations.

Further, audit observed that out of 21,281 registered labour, only 14,318 (67 *per cent*) had renewed their registration as on 31 March 2022 in the four sampled districts.

2.2.3.3 Status of 400 beneficiary survey report

The status of 400 beneficiary survey report in the four sampled districts is shown in **Table 2.6**.

Table 2.6: Beneficiary survey report

Sl. No.	Status of the beneficiary/ Occupation	No.
1.	Construction workers	74
2.	Government employee	151
3.	Anganwadi & ASHA workers	24
4.	MGNREGS workers	11
5.	Private firm employee	41
6.	Weavers	88
7.	Farmers	10
8.	Unemployed	1
Total		400

Source: Records of the Registering Officers of the Board

As shown in **Table 2.6** out of 400 beneficiaries surveyed, only 74 beneficiaries (18 *per cent*) were found to be engaged in construction works and 326 beneficiaries (82 *per cent*) did not engage in construction works during 2017-18 to 2021-22. Thus, the benefit provided out of labour cess fund to these ineligible beneficiaries during the above period, non-screening of beneficiary and lack of proper records of registered workers was in violation of the extant Rules.

In reply, the Board stated (June 2023) that casual labour working under works Departments viz. PWD, RWD, etc. were considered as construction workers and thus their registration as beneficiary was accepted by the Board. The Board further stated that as per instructions of the Chairman of the Board farmers, ASHA workers, Anganwadi workers etc. were also registered by the Board. However, the Board gave assurance to re-examine the registration records of the beneficiaries and streamline the irregularities as pointed out in audit.

Recommendations: *The Board may ensure that the screening of beneficiaries at the time of registration is streamlined as per extant Rules and benefits are provided only to genuine workers engaged in construction works.*

2.2.3.4 Cess amount lying with the State Government: ₹127.68 crore

Section 5 (3) of the Cess Rules, 1998 stipulates that the cess collected shall be transferred to the Board within thirty days of its collection. Five-years data of labour cess amount lying with the State Government are shown in **Table 2.7**.

Table 2.7: Year-wise labour cess amount lying with the State Government

Sl. No.	Year	Labour cess amount (₹ in crore)
1.	2017-18	66.95
2.	2018-19	64.14
3.	2019-20	90.12
4.	2020-21	109.41
5.	2021-22	127.68

Source: State Finance Audit Reports

From the above, it was noticed that the State Government was yet to transfer cess amount of ₹127.68 crore to the Board as of March 2022 and this amount had increased from ₹66.95 crore in 2017-18, leaving lesser fund for the welfare of Construction Labour.

The audit finding was brought to the notice of the Finance Department in June 2023 for its response. However, no response was received as of September 2024.

Recommendation: *The Board may ensure that all labour cess amount lying with the State Government account be transferred to the Board on time so that the Board may better implement the welfare schemes for the registered labour in the State.*

2.2.3.5 Inspection not conducted

Sections 42 & 43 of the Act stipulate that an Inspector may, within the local limits for which he is appointed enter, at all reasonable hours with such assistants (if any) being persons in the service of the Government or any local or other public authority as he thinks fit, any premises or place where building or other construction work is carried on, for the purpose of examining any register or records or notices required to be kept or exhibited by or under the Act, and require the production thereof for inspection etc.

Audit noticed that the Deputy Labour Commissioner, GoAP was appointed as Chief Inspector for the whole of Arunachal Pradesh in April 2005 and District Labour Officers were appointed as Inspector in every district in August 2018. However, no assessment or

inspection of the establishments was conducted during 2017-18 to 2021-22. Reason for non-assessment and inspection of the establishments was not found in records.

Audit further observed that the Town Planning Department, GoAP approved 2,218 number of building plans during 2017-18 to 2021-22. However, the designated Chief Inspector and Inspectors at District level did not conduct any inspection on the construction works at site for ensuring compliance and safety of the labour during 2017-18 to 2021-22.

It was also observed that the Town Planning Department has no separate records on number of building plan approved for private and public works, due to which audit could not establish the amount of labour cess to be recovered from private establishments.

In reply, the Department stated (November 2022) that the policy is in initial stage and in order to encourage the people to follow building construction regulations, the Department does not levy labour cess.

The reply of the Department is not tenable as the applicable and admissible Rules/Acts should be adopted from the initial stage of implementation.

Recommendations:

- *The Board may ensure that regular inspection and assessment of establishments is conducted at regular interval as per extant Rules.*
- *Town Planning Department may ensure that a separate list of establishments engaged in private and public works be maintained and labour cess be recovered from the eligible private establishments.*

2.2.4 Financial status

The financial status of the Board during 2017-18 to 2021-22 is shown in **Table 2.8**.

Table 2.8: Five years financial status of the Board

(₹ in lakh)

Year	Opening Balance	Receipt			Payment/ Expenditure			Closing Balance	Plan Proposal (Expenditure)	Savings (+)/ Excess (-)
		Cess collection*	Other ⁸	Total available funds	Welfare schemes**	Administrative	Total			
1	2	3	4	5=(2+3+4)	6	7	8=(6 + 7)	9=(8 - 5)	10	11=(10 - 8)
2017-18	1579.50	4203.51	160.12	5943.13	2975.38	1031.06	4006.44	1936.69	6677.96	(+) 2671.52
2018-19	1936.69	7061.86	790.34	9788.89	6592.39	1883.03	8475.42	1313.47	8055.47	(-) 419.95
2019-20	1313.47	4267.86	121.76	5703.09	4127.31	742.32	4869.63	833.46	8949.64	(+) 4080.01
2020-21	833.46	5252.31	220.15	6305.92	4932.05	619.31	5551.36	754.57	5149.26	(-) 402.10
2021-22	754.57	7752.76	527.66	9034.99	7424.56	925.30	8349.86	685.13	3583.81	(-) 4766.05
Total	--	28538.30	1820.03	36776.02	26051.69	5201.02	31252.71	--	32416.14	(-) 1163.43

Source: Records furnished by the Board; R&P accounts of the approved Annual Accounts of respective years

* Cess collected by the Department and deposited into the accounts of the Board

** Assistance on Medical, Education, Accidental and Natural Death Benefit, Marriage, Maternity etc.

⁸ Bank interest, registration fees, etc.

From the above, audit observed that the Board had total available funds of ₹367.76 crore and spent ₹312.53 crore during 2017-18 to 2021-22. Out of total expenditure of ₹312.53 crore, the Board spent ₹260.52 crore (83 per cent) on welfare schemes for the registered labours and ₹52.01 crore (17 per cent) on the administrative expenses.

Further, audit also examined the records of eight works Divisions⁹ and checked two works with highest expenditure in each works Division (i.e., 8 x 2 = 16 works) during 2017-18 to 2021-22. Audit observed that in seven works executed by four works Divisions; there was short recovery of labour cess amounting to ₹22.92 lakh as shown in **Table 2.9**.

Table 2.9: Short recovery of labour cess by works Division

Sl. No.	Name of the works divisions	Amount of short recovery (₹ in lakh)
1.	PWD, Bomdila	0.78
2.	PHED, Bomdila	10.00
3.	PWD, Seppa	0.06
4.	PHED, Namsai	12.08
Total		22.92

Source: Records of the works Division, Details in **Appendix-2.1**

Recommendation: The Board may direct the works Departments to recover the short recovery of labour cess and deposit the same into the Board's account.

2.2.4.1 Non-investment of Labour Cess fund

Clause 292 of the Arunachal Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rules, 2006 stipulates that all moneys belonging to the fund may be invested in the nationalised banks or scheduled banks or in the securities referred to in clauses (a) to (d) of Section 20 of the Indian Trust Act, 1882 (Central Act 2 of 1882).

On test check of annual accounts of the Board, audit noticed that the Board had two saving bank accounts (SBI, Ganga Branch, Itanagar and Canara Bank, Itanagar) and the fund position during 2017-18 to 2021-22 is shown in **Table 2.10**.

Table 2.10: Non-investment of available fund

Year	Total fund available	Total expenditure	Closing Balance as on March
2017-18	5943.13*	4006.44	1936.69
2018-19	9788.89	8475.42	1313.47
2019-20	5703.09	4869.63	833.46
2020-21	6305.92	5551.36	754.57
2021-22	9034.99	8349.86	685.13
Total	36776.02	31252.71	-

Source: Records of the Board, Itanagar

* Includes an opening balance of ₹1,579.50 lakh

⁹ Two works Divisions in each selected district and test check of two works with highest expenditure in each Works Division during 2017-18 to 2021-22 = 16 works

It can be seen from **Table 2.10** that the Board had total fund available of ₹367.76 crore (ranging from ₹57.03 crore to ₹97.89 crore), out of which the Board spent ₹312.53 crore (ranging from ₹40.06 crore to ₹84.75 crore). Thus, the Board did not have any effective plan to invest the significant closing balances as per the extant Rules.

In reply, the Board stated (June 2023) that due to a shortage of staff, the fund could not be invested in different investment plans. However, the audit observation was noted for future compliance.

2.2.4.2 Excess administrative expenditure and doubtful procurement of office items

As per Section 24 (3) of the Act no Board shall, in any financial year, incur expenses towards salaries, allowances and other remuneration to its members, officers, other employees and for meeting other administrative expenses exceeding five *per cent* of its total expenses during that financial year.

Scrutiny of records revealed that the Board's total expenditure during 2017-18 to 2021-22 was ₹312.53 crore (**Appendix-2.2**). Out of the total expenditure incurred, the admissible limit on administrative expenses was ₹15.63 crore. However, the Board incurred an amount of ₹52.00 crore on administrative expenses during the above period. Thus, the Board had incurred an excess expenditure of ₹36.37 crore¹⁰ on total administrative expenses during 2017-18 to 2021-22. Audit, further observed that the main reason for excess administrative expenses was significant expenditure of ₹8.86 crore on procurement of computers and peripherals, air conditioners *etc.* as given in **Table 2.11**.

Table 2.11: Details of items procured

Sl. No.	Particulars	Qty. (in No.)	Expenditure (₹ in lakh)
1.	iPhone, Apple laptop <i>etc.</i>	49	88.48
2.	Air Conditioner	41	69.40
3.	Computer	112	177.47
4.	Xerox machine	59	199.71
5.	Calendar	91,330	350.96
6.	Executive folder	9,640	
7.	Magazine	46,390	
Total			886.02

Source: Records of the Board, Itanagar

In reply, the Board stated (June 2023) that administrative expenditure was drastically minimised from 2017-18. Further, it stated that the Board cannot function without sufficient staff and office stationeries and furniture which compelled the Board to incur more than five *per cent* of the total expenditure on administrative expenses.

The reply of the Board was not acceptable as the administrative expenses were not restricted within the permissible limit. Moreover, the reply is silent about the administrative

¹⁰ ₹52.00 crore - ₹15.63 crore

expenditure which includes the procurement of iPhone, Apple laptop, Air conditioner etc.

Detailed scrutiny of records pertaining to procurement of items mentioned in **Table 2.11** above revealed that some of these procurements were doubtful and audit could not rule out the possibility of fraud/ misappropriation with regard to procurement of material worth ₹4.95 crore. Audit observed that the bill invoice of the following materials had no serial number and model number as detailed in **Table 2.12**.

Table 2.12: List of material procured with no model number

Sl. No.	Name of the material	Total no. with no specification	Value (₹ in lakh)
1.	iPhone, Apple laptop etc.	26	48.18
2.	Air Conditioners (ACs)	41	69.40
3.	Desktop and Laptop	112	177.47
4.	Xerox machine	59	199.71
Total			494.76

Source: Records of the Board, Itanagar

It was observed that the bill/ invoices contained only name of items viz, laptop, desktop, Air Conditioner and Xerox machine etc. and without the details of serial number, model number and specifications etc. of the product to confirm actual procurement of the above materials. Thus, procurement of goods without specifications on bill amounting to ₹4.95 crore was irregular and doubtful. Further, the cost of a single AC was ranging from ₹1.35 lakh to ₹1.94 lakh without any accompanying brand name, which was also doubtful.

Audit noticed that each office of Registering Officers had old desktops and there were no working Xerox machines. It was also noticed during joint physical verification that the headquarter office had 23 desktop computers, 04 Xerox machine and 21 Air Conditioners. Further, audit could not establish actual receipt and delivery of the above materials as the Board did not record the receipt and issue of these items in the store ledger. Thus, audit could not establish the actual procurement and distribution of the material due to non-availability of records.

In its reply (June 2023), the Board had accepted the audit observation.

Recommendations:

The Board may-

- ensure that the administrative expenditure be controlled within the admissible limit as per the extant Rules.
- ensure proper accounting of procured materials.

2.2.5 Implementation of Skill Development

2.2.5.1 Selection of non-empanelled Training Providers

Clause 5 (c) of the Guidelines¹¹ for Recognition of Prior Learning (RPL) of Building and Other Construction Workers (BoCW) Registered with the State Welfare Boards stipulated that the Board shall be responsible in defining the process for selection of Training Providers (TPs) from the list provided by National Skill Development Corporation (NSDC) and Construction Skill Development Council of India (CSDCI), selection of job roles and training content, supervision and monitoring of training, and payments to the TPs, CSDCI and other stakeholders. NSDC shall assist the State Welfare Boards in selection of TPs for project implementation. NSDC and CSDCI shall aim to propose a list of five to ten good performing and affiliated TPs in each State.

The Board made a provision of ₹13.67 crore and ₹18.40 crore in its Annual Budget for the year 2018-19 and 2019-20 respectively for implementation of skill development programme like Carpentry, Plumbing, Driving *etc.* for the registered labour which was approved in its 21st Board meeting (28 April 2018) and 28th Board meeting (20 October 2020). Accordingly, the Board entered into agreements with two TPs who were selected on nomination basis for implementing skill development programmes as shown in **Table 2.13**.

Table 2.13: Details of skill development programs implemented

Sl. No.	Date of agreement	Name of the service provider	Total No. of training courses imparted	Total no. of beneficiary as per agreement	Actual no. of beneficiary imparted training	Agreement amount (₹ in crore)
1.	11 July 2018	M/s Sunita Infotech, Durgapur, West Bengal	13	3,000	2,894	13.67
2.	25 October 2019		12	2,984	2,907	13.40
3.	25 October 2019	M/s GPTI Skill Training Institute-cum-Academy, Itanagar	12	1,086	899	5.00
Total				7,070	6,700	32.07

Source: Records of the Board, Itanagar

However, audit observed that the above TPs are neither empanelled with NSDC nor CSDCI which was in violation of the extant Rules/ Guidelines. The TPs were selected on nomination basis.

On scrutiny of records, audit also observed that the total numbers of trainees/ beneficiaries to be trained as stated in the table above was included in the agreement without survey and assessment.

2.2.5.2 Excess payment made to the service provider/ contractor: ₹4.19 crore

As per the agreement, the service providers were to impart 13 different training courses, *viz.*, plumber, mason *etc.* to 7,070 beneficiaries. However, during scrutiny of individual course wise attendance of the trainees, it was observed that there were differences between the

¹¹ Guidelines issued by the Ministry of Labour, GoI

number of beneficiaries claimed to have been trained and the actual number of beneficiaries trained, as shown in **Table 2.14**.

Table 2.14: Details of excess payment to service providers

(Amount in ₹)

Sl. No.	Agreement date	Name of the service provider	No. of training courses in which difference was observed	Total no. of beneficiaries to be trained as per agreement	Actual no beneficiaries trained	Shortfall	Excess payment
1.	11 July 2018	M/s Sunita Infotech, Durgapur, West Bengal	9	2,150	1,858	292	1,25,64,422
2.	25 October 2019		2	550	473	77	33,94,391
3.	25 October 2019	M/s GPTI Skill Training Institute-cum-Academy, Itanagar	8	716	60	656	2,58,93,488
Total			-	3,416	2,391	1,025	4,18,52,301

Source: Records of the Board

Further, audit observed that the third party assessment and certificate issued by the ROs for release of payment had no detailed information on the trainees and number of trainings imparted. However, the Board made a full payment of ₹32.07 crore to the service providers. Thus, the Board extended undue benefit to the service providers and incurred expenditure of ₹4.19 crore out of labour cess fund without actual execution of the job as agreed.

In reply, the Board stated (June 2023) that third party was appointed for shortlisting eligible trainees/ beneficiaries and payment was also released after the assessment given by the third party. However, the Board stated that audit point has been noted for future compliance.

2.2.6 Procurement of Labour Bag and Tiffin Carrier

The Board in its Annual Budget 2021-22 made a provision of ₹25.00 crore for procurement of Labour Bags (₹12.50 crore) and Tiffin Carrier (₹12.50 crore) which was approved by the Board in its 31st Board meeting held on 23 June 2021. Accordingly, Notice Inviting Tender was called on 20 December 2021 for procurement of 29,000 Labour Bags and 41,000 Tiffin carriers and the tender documents were opened on 04 January 2022. The detail of suppliers selected is shown in **Table 2.15**.

Table 2.15: Details of 1st procurement of Labour Bag and Tiffin Carrier

(₹ in crore)

Sl. No.	Name of the selected supplier	Name of the material to be supplied	Total No. of material to be supplied	Cost	Date of payment	Amount paid
1.	M/s Glory Enterprises, Nurjuli	Labour Bag	29,000	12.37	29.03.2022	12.37
2.	M/s Gungming Enterprises, Naharlagun	Tiffin Carrier	41,000	12.38	Do	12.38
Total				24.75	-	24.75

Source: Records of the Board, Itanagar

Accordingly, agreements with the above suppliers were signed on 19 January 2022 for ₹24.75 crore and work orders were issued on 20 January 2022. The suppliers were paid (29 March 2022) an amount of ₹24.75 crore.

From the above and scrutiny of records of the Board, audit observed the following:

2.2.6.1 Purchase of goods out of labour cess fund at exorbitant price: ₹7.60 crore

Rule 144 (vii) of the GFR, 2017 mandates that the procuring authority should satisfy itself that the price of the selected offer is reasonable and consistent with the quality required.

Audit observed that the supplier for Tiffin Carrier supplied four rack Tiffin carrier from M/s PNB Kitchen Made in Haryana. Audit examined the cost of similar Tiffin carrier from M/s PNB Kitchen Made's official website and other market price¹² of labour bags and found cost difference, as given in Table 2.16.

Table 2.16: Cost difference

(Amount in ₹)				
Sl. No.	Name of the goods	Awarded cost per piece	Actual cost/market cost per piece with brand name	Difference
1.	Tiffin carrier	3,020.80	1,892 (M/s PNB)	1,128.80
2.	Labour bag	4,265.70	3,240 (American Tourister)	1,025.70

Source: Records of the Board, Itanagar

The Board expended an excess amount of ₹7.60 crore¹³ in procuring Tiffin carriers and labour bags, due to accepting rates higher than the rates shown in the company's own official website. The image of labour bag and Tiffin carrier is shown alongside.

In reply, the Board stated (June 2023) that price of the goods was fixed as per the committee recommendation after market survey to prevent exorbitant rate.

The reply of the Board is not acceptable as there were no records to show that market survey was done. Also, comparative price statement was not prepared.

Recommendation: The Board may specify the details as well as rate of the goods to be procured.

2.2.7 Procurement of face masks and hand sanitizer

The Board, in its Annual Budget for the year 2020-21, provided for procurement of face masks at the cost of ₹4.93 crore and hand sanitizers at the cost of ₹2.44 crore which was approved by the Board in its 28th Board meeting held on 20 October 2020 Accordingly, the



¹² As displayed on the website of the respective manufacturers

¹³ (Tiffin carrier - ₹1,128.80 X 41,000 nos. = ₹4,62,80,800+ Labour bag-₹1,025.70 X 29,000 nos. = ₹2,97,45,300) = ₹7,60,26,100

Board entered into agreements with the following suppliers to procure face masks and hand sanitizers as shown in **Table 2.17**.

Table 2.17: Details of 1st procurement of Face mask and Hand Sanitizer

Sl. No.	Name of the supplier	Date of agreement	Name of the material	Total no.	Rate per piece	Agreement amount (₹ in lakh)
1.	M/s H.M Enterprise, North Lakhimpur, Assam	31 March 2021	Face mask	1,67,200	289.10	483.37
2.	M/s Immanuel Enterprises, Itanagar	31 March 2021	Hand Sanitizer	81,100	295.00	239.24
Total						722.61

Source: Records of the Board, Itanagar

The above goods were received in June 2021 and full payment of ₹7.23 crore was paid to the suppliers in August 2021.

Over and above the procurement approved by the Board as discussed above, the Chairman on his own directed (18 January 2022) to procure additional face masks and hand sanitizers at the cost of ₹5.00 crore. Reason for procurement was stated as urgent requirement for disbursement. Accordingly, another agreement was entered with M/s Immanuel Enterprises on 19 January 2022 for procurement of additional face masks and hand sanitizers as shown in **Table 2.18**.

Table 2.18: Details of 2nd procurement of Face mask and Hand Sanitizer

Sl. No.	Name of the supplier	Date of agreement	Name of the material	Total no.	Rate per piece	Agreement amount (₹ in lakh)
1.	M/s Immanuel Enterprises, Itanagar	19 January 2022	Face mask	86450	289.10	249.92
			Hand Sanitizer	84770	295.00	2,50.07
Total						499.99

Source: Records of the Board, Itanagar

Audit observed that the additional procurement was made with the direction of the Chairman and without approval of the Board.

The Board in its 29th Board meeting held on 09 January 2021 resolved that situation of COVID 19 had normalised and use of COVID 19 preventive equipment were not compulsory. Thus, additional procurement of face mask and hand sanitizer was not required and expenditure of ₹4.99 crore which was made outside the annual budget and without approval of the Board which was unwarranted.

The above goods were received in February 2022 and full payment of ₹4.99 crore was released in March 2022. Details of the total procurement of face masks and hand sanitizers are shown in **Table 2.19**.

Table 2.19: Total procurement of Face mask and Hand Sanitizer

Sl. No.	Name of the material	Total no.	Rate per piece	Agreement amount/ payment (₹ in lakh)
1.	Face mask	2,53,650	289.10	733.29
2.	Hand Sanitizer	1,65,870	295.00	489.31
Total				1222.60

Source: Records of the Board, Itanagar

Audit further noticed that out of the above material procured, 1,95,750 number of face masks (value of ₹5.66 crore) and 1,26,364 numbers of hand sanitizers (value of ₹3.73 crore) totally valuing ₹9.39 crore were lying in the store of the Board as of January 2023.

Thus, labour cess fund of ₹9.39 crore was utilised for procurement of face masks and hand sanitizer without proper assessment of requirement.

In reply, the Board stated (June 2023) that subsequent supply order was issued after the decision of the Board as the additional masks and hand sanitizers were necessary for the labour during pandemic to avoid COVID.

The reply of the Board is not acceptable as it is evident from the above that the subsequent procurement was made without proper assessment of actual requirement and without prior approval of the Board.

Recommendations:

The Board may-

- ensure that expenditure may be incurred as per annual budget provision.
- assess the actual requirement to avoid purchasing quantities in excess of requirement.

2.2.7.1 Procurement of goods at exorbitant price from labour cess fund

As per Rule 144 of GFR, 2017, specification of the goods, price of the goods and offer be invited in making public procurement.

Audit observed that the Board did not invite tender and did not provide detailed specifications and price of the goods to be procured. In absence of pre-determined prices and quality of the goods, there was no cost justification with respect to the prevailing market prices while entering into agreement with the suppliers. Further, audit examined the cost of face masks and hand sanitizer and found price differences as shown in **Table 2.20**.

Table 2.20: Price difference

Sl. No.	Name of the goods	Awarded cost per piece	Actual cost/ market cost per piece in open market	Difference
1.	Face masks	289.10	35.00	254.10
2.	Hand sanitizer	295.00 (160 ml per bottle)	80.00	215.00

Source: Records of the Board, Itanagar

From the above, it is clear that the face masks and hand sanitizers were procured at an exorbitant price. Subsequently, labour cess fund of ₹10.01 crore¹⁴ was expended in excess,

¹⁴ (Face Mask-2,53,650 nos. X ₹254.10 = ₹644.52 lakh & Hand Sanitisers -1,65,870 nos. X ₹215 = ₹356.62 lakh) = ₹1,001.14 lakh

on procurement of face masks and hand sanitizers due to inability of the Board to arrive at justified rates of the items based on prudent market survey.

Also, Audit observed that while, as per the agreement the supplier was to supply 500 ML bottles of hand sanitizers, instead they delivered 160 ML bottles which indicated that quantity and price of the material were compromised.

Thus, procurement of goods without following the extant Rules had resulted in excess payment of ₹10.01 crore to the suppliers and also tantamounted to misuse of labour cess fund.

2.2.8 Diversion of labour welfare fund

The main objective of the Building and Other Construction Workers' (Regulation of Employment and Conditions of Service) Act, 1996 is to provide and monitor social security schemes and welfare measures for the benefit of building and other construction workers. Further, Section 22 (2) of the Act states that the Board may grant loan or subsidy to a local authority or an employer in aid of any scheme approved by the State Government for the purpose connected with the welfare of building workers in any establishment. Audit observed that the Board contributed ₹6.00 crore towards Chief Minister (CM) Relief Fund as detailed in Table 2.21.

Table 2.21: Details of contribution of CM Relief Fund

Year	Amount Contributed	Annual Budget provision	Approved by the Board	Date of payment
2017-18	3,00,00,000	2017-18	20 th Meeting	29 March 2018
2018-19	3,00,00,000	2018-19	21 st Meeting	09 August 2018
Total	6,00,00,000	-	-	-

Source: Records of the Board, Itanagar

The above contribution of the welfare fund towards CM Relief Fund was approved by the Board with the condition that the fund shall be given only to registered workers of the Board. The contribution was transferred to CM Relief fund in addition to ₹89.67 crore¹⁵ of welfare fund expended during 2017-18 and 2018-19 for the welfare of registered labour.

In reply, the Board stated that they have stopped further contribution to the CM Relief fund from 2018 and also assured not to contribute to CM Relief fund in future.

2.2.9 Procurement of Solar Lanterns

The Board made a provision in its annual budget 2016-17 to procure 14,780 numbers of Solar lamps at a cost of ₹7.89 crore as the supply of electricity in the State was irregular and even absent in certain parts of the State. The workers cannot afford other sources of lighting in their home which was the main reason behind demand for Solar Lamps. The annual budget 2016-17 was approved by the Board in its 16th Board meeting held on 16 June 2016.

On test check of records of the Board, audit observed the following:

¹⁵ 2017-18: (₹29.75 crore - ₹3.00 crore) and 2018-19: (₹65.92 crore - ₹3.00 crore) = ₹89.67 crore

2.2.9.1 Procurement of goods without call of open tender

As per Rule 161 of the GFR, 2017, Advertised Tender Enquiry should be adopted for procurement of goods of estimated value ₹25 lakh and above. Further, Rule 166 provides that Single Tender Enquiry for procurement from a single source may be resorted to in the following circumstances: (i) It is in the knowledge of the user Department that only a particular firm is the manufacturer of the required goods, (ii) In a case of emergency, the required goods are necessarily to be purchased from a particular source and the reason for such decision is to be recorded and approval of competent authority obtained and (iii) For standardisation of machinery or spare parts to be compatible to the existing sets of equipment.

On test check of records, audit observed that the Board prepared (August 2016) Detailed Project Report (DPR) through a Consultant for procurement and distribution of Solar Lanterns to 23,354 registered workers in the State at an estimated cost of ₹12.58 crore. It was observed that the work for supply of 14,780 Solar Lanterns at a cost of ₹7.89 crore was awarded (03 October 2016) to M/s KELTRON, Kolkata (Supplier) based on recommendation made by the Consultant without floating NIT.

Further, the Board decided (February 2017) to procure additional Solar Lanterns as it was insufficient for distribution to all registered workers and the work was awarded to the same supplier (M/s KELTRON, Kolkata) without following tender procedure based on the previous experience with the firm to save time and cost. Subsequently, the work was awarded (17 March 2017) for supply of 18,000 nos. of Solar Lanterns valuing ₹10.81 crore.

From the above, it may be stated that the procurement of Solar Lanterns without call of open tender lacked transparency and economy and was in violation of the extant Rules.

In reply, the Board accepted (June 2023) the audit finding and gave assurance to streamline the procurement process.

Recommendation: The Board may ensure that all codal formalities in procurement of materials are followed so that labour cess fund may be spent in an effective manner.

2.2.9.2 Irregular distribution of Solar Lamps

As per available records, there were 29,829 registered labour in 2017-18. The Board procured 32,780 Solar Lanterns (14,780 in October 2016 and 18,000 in June 2017).

On test check of the store ledger, audit noticed that out of 32,780 Solar Lanterns received during 2016-17, the Board issued 32,689 during 2017-18 leaving a balance of 91 Solar Lanterns. The quantity issued was ranging from 400 to 3,800 numbers at a time; however, there was no record specifying to whom the items were issued. Thus, non-maintenance of proper stock issue records was irregular.

In reply, the Board accepted (June 2023) the audit point and gave assurance to streamline the procurement process.

Recommendation: The Board may ensure maintenance of proper stock register and proper recording of receipt as well as issue of materials.

2.2.10 Records of Welfare kits issued not available

Rule 209 of GFR, 2017 stipulates that a written acknowledgement of the receipt of material issued shall be obtained from the indenting officer or his/ her authorised representative at the time of issue of materials duly signed and dated.

During test check of four sampled Districts, audit noticed that the Registering Officers viz. District Labour Officers received welfare kits, viz. Blanket, Gumboot, Water Filter during 2017-18 to 2021-22 from the Board. However, the records of issuing of welfare kits valuing ₹9.72 crore were not found, as shown in **Table 2.22**.

Table 2.22: District-wise total value of welfare kits not found in records

Sl. No.	Name of the District	Value of welfare kits - issue records not found (₹ in crore)
1.	Papum Pare	6.26
2.	West Kameng	1.12
3.	East Kameng	1.10
4.	Namsai	1.24
Total		9.72

Source: Records of the ROs, the Board

District-wise total value of welfare kits not found in records is shown in **Appendix-2.3**.

During beneficiary survey, the matter had been raised with the respective Registering Officers (i.e. DLOs) in four sampled districts. Thus, non-maintenance of records pertaining to issue of welfare kits was tantamount to misuse of welfare kits and labour cess fund, which were meant for registered construction workers. Non-maintenance of records was also irregular and violates existing rules and regulations.

In reply, the Board stated (June 2023) that welfare kits were issued to Labour Unions of Districts for distribution based on the number of registered labour in that particular District. The records related to issue of welfare kits to the Districts are available in the headquarters office. Further, the Secretary of the Board stated that most of the staff are contractual/temporary with poor knowledge about record creation and maintenance especially at the district level. The Board is planning to tie up with the concerned Training institute to organise suitable training for the staff on record management, archival, retrieval etc.

Recommendation: The Board may direct the Registering Officers to ensure proper record keeping while issuing welfare kits to the registered labour.

2.2.11 Death benefit provided to unregistered labour

Rule 280 (1) of the Arunachal Pradesh Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Rule, 2006 provides that the Board may sanction an amount of ₹15,000 to the nominee/dependents of a member towards death benefit, in case of death (enhanced to ₹50,000 in April 2021). Further, Rule 279 provides that ₹1,000 may be sanctioned for funeral expenses. Accordingly, the Board provided the provision of death benefit in every annual budget during 2017-18 to 2021-22.

On scrutiny of records, audit noticed that there were 352 natural deaths and 29 accidental death cases during 2017-18 to 2021-22 in Arunachal Pradesh on which the Board had spent ₹2.08 crore, as shown in **Table 2.23**.

Table 2.23: Details of normal death cases and benefit provided during 2017-18 to 2021-22

Year	No. of normal death	Normal death benefit paid (Amount in ₹)	No. of accidental death	Accidental death benefit paid (Amount in ₹)
2017-18	56	28,56,000	5	5,05,000
2018-19	46	23,46,000	8	8,07,000
2019-20	88	44,88,000	7	7,07,000
2020-21	39	19,89,000	Nil	Nil
2021-22	123	62,73,000	9	9,09,000
Total	352	1,79,52,000	29	29,28,000

Source: Records of the Board, Itanagar

On scrutiny of records of the Board, audit observed that out of 381 cases (*i.e.*, 352 + 29) of death benefit provided, there were discrepancies *viz.* mismatch in names, blank registration number, *etc.* in the registration records of 108 deceased registered labour *vis-à-vis* the payment advices provided by the Board. Thus, audit could not derive an assurance about the end use of death benefit of ₹55.08 lakh by the nominees of the deceased labour. Audit further observed that the Board paid ₹9.09 lakh for insurance of 5,318 labour in 2017-18 to 2018-19 and ₹8.55 lakh was paid in 2019-20 for its renewal for 5,002 labour. However, there were no details of labours who were covered under insurance and the Board had not claimed insurance on any of the deceased registered labour. During a survey of 400 sampled beneficiaries, it was noticed that the beneficiaries lacked awareness regarding insurance claims that could be made in the event of the death of registered labour. Thus, it indicated inefficient implementation of awareness programs despite an expenditure of ₹26.38 crore during the five year period.

In reply, the Board stated (June 2023) that due to the present system of reallocating the deceased/retired registered workers' number to newly applied labour, the difference in registration card and registration records appears as pointed out in audit. The Board gave assurance to correct the present system at the earliest.

The Board further replied that insurance was not claimed as the nominee of the deceased labours did not claim insurance.

Recommendations:

The Board may ensure that the beneficiary cards and registration records available with the Board offices are reconciled at the earliest and death benefit provided to only registered labour after cross verification with registration records and beneficiary card records.

2.2.12 Doubtful expenditure of ₹8.73 crore

Rule 26 (iv) of General Financial Rules (GFR), 2017 stipulates that the controlling Officer, in respect of funds placed at the disposal, is to ensure that an adequate control mechanism is in place in the Department for prevention, detection of error and irregularities in financial proceedings of the subordinate offices and to guard against waste/ loss of public money.

Rule 30 of the Receipt and Payment Rules, 1983 stipulates that when a person not in the Government employment claims payment for work done, service rendered or articles supplied, such claims shall, unless there are express orders of the Government to the contrary, be submitted through the Head of the Department or other responsible Government officer under whose immediate order the service was done or the equivalent was given for which payment is demanded. The officer, to whom such a claim is submitted, shall be responsible for completing the necessary formalities and for making the payment with due expedition etc.

On test check of records of the Board, audit observed that the Board incurred ₹8.73 crore against procurement of materials viz., computer items, Xerox machine, Air Conditioner etc. from four suppliers for which the Board paid GST amount of ₹1.20 crore during 2017 to 2021 as shown in **Table 2.24**.

Table 2.24: Detail of payment made to the suppliers

(₹ in crore)

Sl. No.	Name of the Supplier	Amount paid	Total no. of invoice	GST amount paid
1.	M/s O.T. Enterprises	1.25	5	0.13
2.	M/s Raj Offset	1.86	26	0.20
3.	M/s Gungming Enterprises	3.64	93	0.58
4.	M/s Niya Enterprises	1.98	41	0.29
Total		8.73	165	1.20

Source: Records of the Board, Itanagar

Audit observed that the above 165 invoices (amounting ₹8.73 crore) submitted by the suppliers had hand-written invoice serial numbers.

Further, out of 26 numbers of invoices pertaining to M/s Raj Offset Enterprises, three invoices had no GST numbers. Similarly, none of the invoices pertaining to M/s Gungming Enterprises had GST numbers. Moreover, audit cross examined these details with the GST registration data base and noticed that M/s O.T. Enterprises had no GST registration number till date (December 2023). Thus, payment of GST amount of ₹0.13 crore to M/s O.T. Enterprises was irregular.

It was also observed that the Board did not maintain stock register. Thus, audit could not establish the receipt and issue of the materials.

In reply, the Board stated (June 2023) that the date of sanction of GST registration was earlier than the date of purchase. Thus, the Board claimed no violation of rules occurred.

The reply of the Board was not tenable, as the purchase was made before the supplier actually received GST registration. Further, the GST amount was paid to the supplier without registration in GST portal and the GST number was not mentioned in the invoices.

Recommendations:

The Department may-

- **investigate the matter of false payment without GST registration and fix responsibilities on delinquent officials of the Board.**
- **instruct the Board to verify the invoices before making payment to the suppliers.**

- *also instruct the Board to ensure that printed GST number and serial number are available in the invoices and the supplier has genuine GST registration.*

2.2.13 Construction of labour shed-cum-night shelters

Board had constructed labour-shed-cum-night shelters at 49 locations at a sanctioned amount of ₹40.45 crore by engaging State Government Departments *viz.* PWD, RWD, WRD *etc.* during 2017-18 to 2021-22 as shown in **Table 2.25**.

Table 2.25: Details in construction of labour shed

Year	No. of labour sheds/locations	Total Sanctioned Amount (₹ in lakh)
2017-18	5	800.00
2018-19	21	865.00
2019-20	8	537.50
2020-21	6	767.50
2021-22	9	1075.00
Total	49	4045.00

Source: Records of the Board, Itanagar

Out of these, audit sampled 19 works at different locations (39 per cent of works **Appendix-2.4{A}**) an expenditure of 23.70 crore out of sanctioned amount of ₹26.95 crore (67 per cent of total sanctioned amount of ₹40.45 crore) for examination of records and conducted Joint Physical Verification (JPV) of the buildings along with the officials of the executing agencies.

On scrutiny of records and JPV, audit observed the following:

2.2.13.1 Execution of works without administrative approval, Technical Sanction and feasibility study

- i)* Rule 129 of the Central Public Works Department Manual, 2014 stipulates that no work should normally be commenced, or any liability thereon incurred until an administrative approval has been obtained, a properly prepared detailed estimate has been technically sanctioned and where necessary expenditure sanction has been accorded and allotment of funds made.

On test check of records of 19 sampled projects, out of 49 projects, audit noticed that administrative approval was not obtained from the competent authority and technical sanction was not accorded, which was in violation of the extant Rules.

- ii)* Section 3.3 of the Central Public Works Department Manual, 2014 stipulated that before acceptance of any deposit by the Executive Engineer, it is essential that an estimate should be sent to the client Department/ Body/ Institution after fully ascertaining all necessary site details, technical feasibility, topographical details, ownership of land *etc.*

On test check of records of the Board and executing agencies, it was observed that all sampled labour sheds (19 nos.) were executed without conducting feasibility study. Though feasibility study report was not submitted by the executing agencies, the Board released ₹26.95 crore to the executing agencies during 2017-18 to 2021-22. Thus, execution of work in violation of the extant Rules was irregular.

iii) Following are two instances where audit observed that the estimates or Detailed Project Reports (DPRs) used by the executing work Department lacked essential work components necessary to render the labour sheds cum night shelters functional and useful.

a) The Board sanctioned ₹03 crore (09 January 2021) for the construction of labour shed-cum-night shelter at Taliha (about 45 Km from Daporijo township) to the Executive Engineer, RWD, Daporijo Division. On test check, audit noticed that the contractors commenced the work in March 2021 and completed in December 2022 for which ₹2.75crore (92 per cent of the sanctioned amount) had been paid to the contractors. However, date of payment was not found on record.

During scrutiny of records and joint physical verification (April 2023) of the building (Photograph is shown alongside), audit noticed that to make the project suitable for accommodation, additional works are required.



After payment (92 per cent) made to the contractors, of the balance amount of ₹25 lakh left with the Department, ₹11.43 lakh was for procurement of furniture items as included in DPR.

Essential components such as protection wall, external water connection, approach road and parking lot and kitchen utensils were required but these items of work were not included in the DPR. Hence, remaining amount of ₹25 lakh of the project cost may not be sufficient to complete the project to make it viable. This indicated that the approved DPR/ estimate was inefficient.

b) The Board sanctioned ₹1.50 crore (29 March 2022, 08 September 2022 and 09 September 2022 ₹50 lakh each) for the construction of a labour shed at Kamporijo to the Executive Engineer, RWD, Raga Division. The work was started in March 2022 and completed in October 2022. The Division office had released ₹98.39 lakh to the contractor (May 2022 and November 2022). As of April 2023, the Board was yet to release ₹50 lakh to the Division office and completion certificate was not issued and handing/ taking over was not done.

During scrutiny of records and joint physical verification of the building, audit noticed that important components essential for making the labour shed cum night shelter functional, including external electrification, internal and external water supply connection, boundary wall, protection wall, drainage, furniture and kitchen utensils were not included in the approved estimate.

2.2.13.2 Payment made against forged entries in the Measurement Book (MB) against unexecuted works/work components

Clause 7.1 (4) of the Central Public Works Manual, 2014 stipulates that the payments to contractors and others for the work done or other services rendered are to be made on the basis of measurements recorded in the Measurement Book.

On test check of records and JPV of the projects at site, out of 19 sampled projects, audit noticed in ten projects (eight completed and two incomplete) that though the contractors did not execute work component/ did not supply materials, viz., cement concrete works, tiles, furniture etc. having value of ₹2.28 crore (**Appendix-2.4**), the executing agencies forged the entries in the Measurement Book as “work done/ completed” and made payment of ₹2.28 crore to the contractors which was irregular and tantamounted to possible fraudulent utilisation of labour cess fund.

Details of the two incomplete projects where full payment had already been made to the contractors are discussed below:

- i) The Board sanctioned ₹1.50 crore (₹1.00 crore in January 2021 and ₹0.50 crore in September 2022) for the construction of labour shed-cum-night shelter at Aalo to the Executive Engineer, RWD, Aalo Division. During scrutiny of records and JPV of the building, audit observed that though 98 per cent of the payment had been made to contractor, the Division office had completed only the structure portion of the building (Shown in Photo image I).

In reply, the Board stated (June 2023) that they will pursue the matter with the executing agencies.

- ii) The Board sanctioned ₹1.50 crore (₹1.00 crore on 10 September 2021 and ₹0.50 crore on 08 September 2022) for the construction of labour shed-cum-night shelter at Basar to the Executive Engineer, Department of Urban Development, Basar. During scrutiny of records and JPV of the labour shed, audit observed that though the building is still incomplete and only structure portion had been completed, the Department has already released ₹1.50 crore to the contractors which was irregular. (Photo Image I & II).



Photo image – I & II (the sanctioned amount of ₹3.00 crore (₹1.50 crore each) had been incurred before completion)

Recommendation: The Board may direct the executing agency to complete the building within the sanctioned amount.

2.2.13.3 Payment made based on forged entries in the MB before execution of works and non-utilisation of assets created

Clause 30 of the Central Public Works Manual, 2014 stipulates that the payment to the contractor shall be made only on submission of the bill by him. No part payment shall be allowed for incomplete stage.

Audit noticed cases where progress of project and date of payments to the contractors did not match. Instances were also noticed where payment was made to the contractor based on forged entries made in MBs. Some instances are discussed below:

- i)* The Board sanctioned ₹1.00 crore (21 March 2018) to the Executive Engineer, Rural Works Department (RWD), Bameng for the construction of labour shed-cum-night shelter at Rapung (about 100 KM from Seppa).

Audit noticed that as per records, the building was completed on 31 March 2018 which implies that the building was completed within 10 days of sanction of fund. Further, the building was completed in March 2018 and RWD, Bameng handed over the building to the Board in January 2023 (*i.e.*, five-years after date of completion).

- ii)* The Board sanctioned ₹1.75 crore (10 September 2021) for the construction of labour shed at Katrijo to the Executive Engineer, RWD, Raga Division.

The division office entered into an agreement (September 2021) with M/s Sunrise Enterprise, Raga and payment of ₹1.75 crore was made to the contractor (December 2021). However, date of commencement and completion of work was not mentioned in MB.

- iii)* The Board sanctioned ₹ seven crore to Public Works Department (PWD), Bameng Division, GoAP for construction of labour shed-cum-night shelter at following locations (about 45 KM from Seppa), as shown in **Table 2.26**.

Table 2.26: Details of Labour shed at Bameng and Khenewa

(₹ in lakh)

Sl. No.	Location	District	Sanctioned amount	Date of sanction	Amount paid
1.	Bameng	East Kameng	400	19.03.2018	400
2.	Khenewa	-Do-	300	18.07.2018	300
Total					700

Source: Records of the Board, Itanagar

On test check of records and JPV, audit observed that the Labour shed at Khenewa was completed (30 March 2021) at the cost of ₹ three crore and handed over to the Board on 04 June 2021. However, the building was lying idle/ unoccupied as of December 2022.

Audit also observed that construction of labour shed at Bameng was in progress up to 90 *per cent* as of December 2018. However, PWD, Bameng Division had made 100 *per cent* (₹4.00 crore) payment to the contractor between July and August 2018. It implied that entries in the MB were forged and payment was made to the contractor before completion of the building.

The labour-shed was shown as completed in the MB, however, the PWD, Bameng Division office was yet to issue completion certificate as of December 2022. Moreover, the PWD Bameng Division was operating the labour shed as Circuit House without handing over the completed building to the Board. Hence, the objective of construction of labour sheds remained unachieved.

In reply, the Board stated (June 2023) that due to shortage of staff, completed labour shed could not be taken over. However, the Board gave assurance to pursue the Department to hand over labour shed at Bameng to the Board.

2.2.13.4 Excess payment of ₹ one crore by PWD Bameng Division

Audit noticed that GoAP sanctioned ₹1.00 crore (13 March 2022) additional fund under SIDF 2021-22 to PWD Bameng for renovation and upgradation of labour shed at Bameng. The PWD Bameng Division awarded (12 April 2022) the work to M/s Neri Engineering, Bameng at a cost of ₹98.50 lakh, out of which the Division office had paid ₹98.12 lakh¹⁶ to the contractor. The items of work, viz. Aluminium work, steel work, flooring, finishing, supply of furniture etc. which were already covered under the expenditure of ₹ four crore (sanctioned by Board on 19 March 2018) were awarded again with an additional amount of ₹ one crore. Though the contractor did not execute the above works under the sanction amount of ₹ four crore, the division office had made full payment to the contractor. Subsequently, the State Government had to incur an additional amount of ₹ one crore to complete the building due to inability of the division office to monitor and check that the work was completed by the previous contractor within the approved cost.

Thus, due to ineffective monitoring by the executing agency, there was excess payment of ₹one crore.

Recommendation: *The Department may fix responsibility on the concerned Executive Engineer for making payment to the contractor without execution of works. The Division may also take action on the Contractor for claiming excess without execution of works and recovered this excess from the contractor and deposit it into the Board's account.*

2.2.13.5 Irregularities in Construction of labour shed-cum-night shelter

The Board in its Annual Budget 2017-18 proposed to construct night shelter for construction workers-cum-rest house at Pasighat (East Siang), Jung (Tawang) and Mahadevpur (Namsai) at a cost of ₹Three crore (₹ one crore each). Against these projects, Hydro Power Development Corporation of Arunachal Pradesh (HPDCAP) submitted (15 March 2018) Detailed Project Report (DPR). Accordingly, the Board released ₹Three crore (21 March 2018) to HPDCAP.

Subsequently, HPDCAP issued (28 September 2018) one Letter of Award to Er. Obang Gammeng for construction of labour camp-cum-night shelter at Pasighat at the cost of ₹85.05 lakh. The contractor commenced the work in September 2018 and completed the work in August 2020. The executing department had paid the full amount of ₹85.05 lakh (excluding ₹12.39 lakh for Corporation charges, contingency and quality control etc.) to the contractor. Thus, the building¹⁷ at Pasighat was completed with a saving of ₹2.56 lakh¹⁸. However, saving of ₹2.56 lakh was not refunded to the Board.

Audit also observed that HPDCAP deposited (March 2018) ₹Three crore at Vijaya Bank, Itanagar (Account No: XXXXXXXXXXXX0366). Out of which, expenditure of

¹⁶ ₹24.50 lakh on 26 March 2022 and ₹73.62 lakh on 14 February 2023

¹⁷ Presently, the Board was given this building to Bhartiya Mazdoor Sangh on lease rent basis.

¹⁸ ₹85.05 lakh + ₹12.39 lakh = ₹97.44 lakh

Savings = ₹100 lakh - ₹97.44 lakh = ₹2.56 lakh

₹97.44 lakh was incurred against construction of labour shed at Pasighat on August 2018. The remaining two works at Jung and Mahadevpur at a cost of ₹Two crore were not executed¹⁹ and money was also not refunded back to the Board's account. However, the balance in the bank account of Vijaya Bank as of January 2019 was only ₹10.00 lakh. Thus, the executing agency *i.e.* HPDCAP withdrew/ utilised the amount and without constructing the two labour sheds at Jung or Mahadevpur which was irregular.

In reply, the Board stated (June 2023) that matter was being pursued with the MD of HPDCAP for recovery of ₹Two crore for unexecuted labour shed.

Recommendation:

The Board may recover the unspent amount from the HPDCAP.

2.2.13.6 Payment made against deviation of work components / against delivery of inferior quality goods

Clause 4.1.3 (2) of the Central Public Works Department Manual, 2014 stipulates that no deviation from the prescribed scales should normally be made, unless specifically desired by the client Department. In such circumstances specific reference to the deviation should be made in the history sheet of the estimate. Further, Clause 5.3 also stipulates that any change from the provisions in the drawings issued by the Senior Architect that becomes necessary during the execution of the work due to any practical difficulty, shall be brought to the notice of the technical sanctioning authority and Senior Architect, and their approval obtained.

Major instances noticed during audit are discussed below:

- i) The Board sanctioned ₹One crore (January 2021) for the construction of labour shed-cum-night shelter at Mechuka to the Executive Engineer, WRD, Mechuka Division. During scrutiny of records and JPV of the building, audit observed the following:

The contractor was to construct four guest rooms with attached toilets, separate dining hall and multipurpose hall. However, during JPV of the building at site, audit noticed that the contractor constructed only three guest rooms with toilet attached and in place of separate dining hall and multipurpose hall only one hall was constructed. Though the contractor deviated from the original drawing without the approval of the competent authority, the Division office did not restrict the payment and full payment was made to the contractor.

The labour shed was completed at the cost of ₹99.00 lakh and handed over (10 February 2023) to the Circle Officer, Mechuka. However, there is no occupancy at present (March 2023).

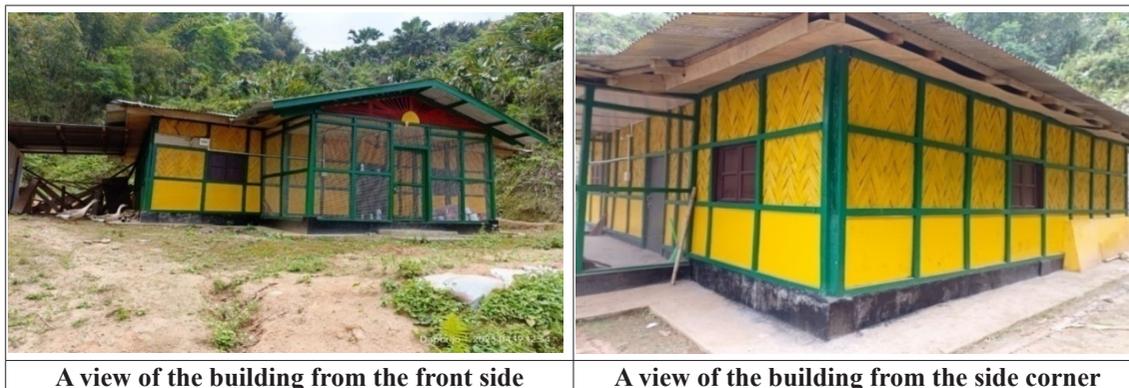
Recommendation: The Board may direct the executing agency to recover the payment made for unexecuted portion of work from the contractor and make plan to utilise the created assets.

- ii) The Board sanctioned ₹30.00 lakh (17 October 2018) for the construction of labour shed-cum-night shelter at Kamle (about One KM from Daporijo township) to the Executive Engineer, PWD, Daporijo. During scrutiny of records and JPV of the building, audit noticed that the labour shed was completed at a cost of ₹29.00 lakh.

¹⁹ till the date of Audit (November 2022)

However, completion certificate was yet to be issued and handing/taking over was yet to be done (April 2023).

The photographic evidence of the building taken during Joint Physical Verification (19 April 2023) is shown below:



During JPV, it was noticed that the division office constructed half wall of the building (GI sheet roofing) with bamboo and half wall with cement against the approved concrete post. Hence, the division office had compromised the quality of the building. Thus, the division extended undue benefits to the contractors by compromising the quality and quantity of work in utilising government money against construction of labour shed.

Recommendation: *The Board may direct the executing agency to recover payment for compromised work portion from the contractor and take over the building from the executing agency at the earliest.*

- iii)** During JPV of the construction site at Pasighat on 26 November 2022, audit team and the official of the HPDCAP noticed deviation in component of work related to boundary wall. As per the schedule of work, 1.90 m high and 84 m long boundary was to be constructed with cement concrete at a cost of ₹6.55 lakh. However, boundary wall was constructed by GI barbed wire in the front side and no boundary wall was constructed in the remaining areas.

A photograph of the boundary wall taken during JPV (13 March 2023) is shown below:

- iv)** During JPV of Construction of labour shed-cum-night shelter at Bagra village (about 26 Km from Aalo) at a cost of ₹ two crore executed by PWD, Aalo Division, audit observed that the furniture and crockery items had been supplied by the contractor. As per the DPR, the contractor was to supply good



quality material of 18 items of furniture and 47 items of crockery items. However, during JPV of the materials, audit noticed that sofa sets (₹50,000/- per set) were made of plastic and mosquito nets (₹2500 to ₹3500 per piece) had loose nettings. Details of inferior quality items supplied are given in *Appendix-2.5*. Moreover, the Division office did not maintain the stock register.

The images of the items taken during physical verification (13 March 2023) are shown below:

	
Sofa Set: ₹0.50 lakh per set	Mosquito net: ₹2,500 & ₹3,500 per piece

Recommendation: *The Board may direct the executing agency to recover the cost of sub-standard quality of material/ goods supplied by the contractor.*

2.2.13.7 Unauthorised occupancy and idle expenditure of labour shed

Out of 49 labour sheds sanctioned by the Board, 17 labour sheds were sampled for physical inspection by audit (Out of 19 sample sheds, two sheds to be executed by HPDAC, were not executed). Out of these, 15 labour sheds were completed at a cost of ₹22.95 crore and two were still incomplete. Out of the completed labour sheds, three²⁰ have been occupied by the local residents. However, the Board has no information about these encroachments.

All the 15 completed labour sheds are difficult to reach and locate as they are in far flung areas where there are no registered construction workers and no water supply and electricity *etc.* All 15 completed labour sheds have no occupancy by the registered construction workers whether permanent or temporary. It was observed that the Board did not ensure conduct of any site feasibility study and availability of registered construction workers and labour shed requirement report *etc.* The Board also did not monitor occupancy of the completed labour shed.

- i) Three cases of encroachments on labour sheds and occupancy by local residents are detailed below:
- During physical verification of the project at Rapung executed by RWD, Bameng Division and handed over to the Board in January 2023, audit noticed that the site is located at about 100 KM from Seppa. Further, audit noticed that there were no registered labour from Rapung as of February 2023 and building was occupied by local residents.

²⁰ 1. Bana (₹20 lakh), 2. Rapung (₹100 lakh) and 3. Likhali (₹100 lakh)



Photo images of two rooms-half wooden wall of labour shed constructed at the cost of ₹1.00 crore by RWD, Bamengat Rapung (100 KM from Seppa)

- The Board sanctioned ₹One crore (10 September 2021) for construction of labour shed-cum-night shelter at Likhabali (about 157 KM from Itanagar) to the Executive Engineer, WRD, Likhabali Division. During scrutiny of records and JPV of the building, audit noticed that labour shed was completed at a cost of ₹72.00 lakh. However, completion certificate and handing/taking over was not prepared (April 2022). Though labour shed was not allotted to any beneficiary, audit noticed that one room on the first floor was already occupied by an unknown person whom the division office could not identify.
- The labour shed-cum-night shelter at Bana (about 25 Km from Seppa). The Board sanctioned ₹20.00 lakh (24 August 2018) to the Executive Engineer, Water Resources Department (WRD), Seppa for the project. Accordingly, WRD, Seppa entered into an agreement (12 September 2018) with M/s S.M. Enterprise, Bana for construction of labour-shed-cum night shelter at Bana at the cost of ₹15.85 lakh.

During JPV of the project site, audit noticed that the project site was located at the outskirts of Bana²¹ and the building was already occupied by the local residents. It was also noticed that the building would be difficult for labour to locate and reach. Further, audit noticed that there are 30 registered labour at Bana, out of which 19 are Government employees and 11 are MNREGA and ALC (Auxiliary Labour Corps) workers of local residence as on February 2023.

In reply, the Board stated (June 2023) that the matters will be taken up with the respective district administration to vacate the occupied labour shed by the local residents.

Recommendation: *The Board may take over the completed labour sheds from the executing agency and make suitable plan to utilise the created assets.*

- ii) Arunachal Pradesh Building and Other Construction Workers Welfare Board sanctioned ₹20.00 lakh (28 September 2018) to the Executive Engineer, Public Works Department (PWD), Seppa for construction of labour shed-cum-night shelter at Richukurung. During physical verification of the project at site, audit noticed that the project site is located at about 70 KM from Seppa. Further, audit noticed that there were no registered labour from Richukurung as of February 2023 and condition of the building was not suitable for human occupancy as there was no water supply, no electricity connection, unusable toilet *etc.* Thus, expenditure of ₹20.00 lakh

²¹ Distance between Seppa and Bana is 27 KM (approximately) and Bana to project site is another Five Km (approximately)

from labour cess fund remained idle as it currently did not serve any benefit for the registered labours of the Board due to substandard work and workmanship and wrong site selection executed by PWD, Seppa.

2.2.14 Monitoring of the projects

Section 53, Part-III of the Central Public Works Department Manual, 2014 stipulated the following in monitoring projects:

1. System adopted at site for monitoring progress.
2. Percentage of progress achieved vis-a-vis time given for completion.
3. Steps taken to accelerate progress when shortfall is noticed.
4. Any extension of time required? Was co-ordination amongst various agencies involved in execution of work.
5. Constraints noticed in smooth progress of work and directions if any, received from Executive Engineer/Superintending Engineer/Chief Engineer to overcome them.

During test check of records of the Board, audit noticed that the Board did not effectively monitor implementation of the projects (*viz.*, skill development programme and construction of labour sheds). Thus, despite significant expenditure incurred on the projects, they could not serve the intended purpose for the registered labour.

2.2.15 Conclusion

The registration of labour/ beneficiaries was done without screening the eligibility criteria. The Board made procurement of items under administrative expenses resulting in excess expenditure over the admissible threshold limit under the same head. The Training provider for skill development of labours was paid in excess of actual training imparted and no proper documentation against the claim of imparting trainings was maintained. Further, utilisation of labour cess fund in implementation of various schemes lacked transparency and there were instances where undue benefit was extended to the contractors/ suppliers as the Board did not specify the price of the goods before awarding the supply order. Out of 19 labour sheds sampled in audit, 15 labour sheds had been completed at a cost of ₹22.95 crore. However, audit noticed that none of the completed labour sheds was occupied by the registered labour, indicating that there was no benefit to the construction labour. There was no effective mechanism to monitor the implementation of the projects.

2.2.16 Recommendations

- *The State Government may ensure that every establishment be registered and frequent assessment of the labour cess amount payable by the employer to the Board may be conducted.*

The Department may-

- *investigate the matter of false payment without GST registration and fix responsibilities on delinquent officials of the Board.*
- *instruct the Board to verify the invoices before making payment to the suppliers.*
- *also instruct the Board to ensure that printed GST number and serial number are available in the invoices and the supplier has genuine GST registration.*

- *fix responsibility on the concerned Executive Engineer for making payment to the contractor without execution of works. The Division may also take action on the Contractor for claiming excess without execution of works and recovered this excess from the contractor and deposit it into the Board's account.*

The Board may -

- *ensure that the screening of beneficiaries at the time of registration is streamlined as per extant Rules and benefits are provided only to genuine workers engaged in construction works.*
- *ensure that all labour cess amount lying with the State Government account be transferred to the Board on time so that the Board may better implement the welfare schemes for the registered labour in the State.*
- *ensure that regular inspection and assessment of establishments is conducted at regular interval as per extant Rules.*
- *direct the works Departments to recover the short recovery of labour cess and deposit the same into the Board's account.*
- *ensure that the administrative expenditure be controlled within the admissible limit as per the extant Rules as well as ensure proper accounting of procured materials.*
- *ensure that expenditure may be incurred as per annual budget provision and assess the actual requirement to avoid purchasing quantities in excess of requirement.*
- *ensure that all codal formalities in procurement of materials are followed so that labour cess fund may be spent in an effective manner.*
- *ensure maintenance of proper stock register and proper recording of receipt as well as issue of materials.*
- *direct the Registering Officers to ensure proper record keeping while issuing welfare kits to the registered labour.*
- *ensure that the beneficiary cards and registration records available with the Board offices are reconciled at the earliest and death benefit provided to only registered labour after cross verification with registration records and beneficiary card records.*
- *direct the executing agency to complete the building within the sanctioned amount*
- *recover the unspent amount from the HPDCAP.*
- *direct the executing agency to recover the payment made for unexecuted portion of work from the contractor and make plan to utilise the created assets.*
- *direct the executing agency to recover payment for compromised work portion from the contractor and take over the building from the executing agency at the earliest.*
- *direct the executing agency to recover the cost of sub-standard quality of material/ goods supplied by the contractor.*
- *take over the completed labour sheds from the executing agency and make suitable plan to utilise the created assets.*

Subject Specific Compliance Audit (SSCA)

Health and Family Welfare Department

2.3 Public Health Infrastructure and Management of Primary Health Services

A Subject Specific Compliance Audit (SSCA) of the “Public Health Infrastructure and Management of Primary Health Services” providing health facilities at village and block levels in Arunachal Pradesh was carried out covering the period from 2017-18 to 2021-22. The SSCA of Public Health Infrastructure and Management of Primary Health Services brought out the following significant findings.

Highlights

- *Overall vacancy position of Doctors/ Specialists, Nurses, Paramedics and Others in DHs, CHCs and PHCs in the State ranged between 19 to 73 per cent. Shortage was highest in nurses cadre.*

(Paragraph 2.3.2.2)

- *Specialist services of Dermatology & Venereology were not available in any of the DHs/ GHs. Specialist services of Pediatrics and General Surgery were available in only one CHC (Pediatrics- CHC Doimukh and General Surgery- CHC Ruksin) out of 53 CHCs.*

(Paragraph 2.3.2.4)

- *Shortfall in availability of beds in Maternity and Child Care Wards ranged from 6 to 94 per cent for different wards across the 22 DHs/ GHs in the State. Critical care/ ICU was not available in 14 out 22 DHs/ GHs. Out of 371, 29 HWCs were functioning without any Medical Officer/Community Health Officer (MO/CHO).*

(Paragraph 2.3.2.5, 2.3.2.6 and 2.3.2.9)

- *Budgetary provision on health services in the State during the six-year period 2017-2023 ranged from 4.10 per cent of the State budget in 2020-21 to 6.62 per cent in 2018-19. In none of the years, did the State Government allocate eight per cent of its budget to the health sector, despite being envisaged in NHP 2017. Moreover, the Department did not completely utilise the allocated funds during the six-years period 2017-2023 with savings ranging from ₹34.79 crore in 2021-22 to ₹659.12 crore in 2018-19.*

(Paragraph 2.3.4.1)

- *Asymmetric distribution of doctors in the sampled health facilities was observed with 36 per cent excess doctors in CHC Ruksin and a shortfall of 36 to 91 per cent doctors in seven other CHCs.*

(Paragraph 2.3.8)

- *Due to non-availability of specialist service in CHCs, patients from rural areas had to travel to DHs for better treatment; thereby increasing out of pocket expenses of the patients and burdening resources of the DHs.*

(Paragraph 2.3.9.3)

- ***Out of total sanctioned amount of ₹165.69 crore under Emergency Covid Response Plan Fund II, ₹146.11 crore was allotted for improvement of health infrastructure and ₹85.75 crore remained unspent (as of February 2023), indicating slow progress of infrastructure works despite availability of funds.***

(Paragraph 2.3.21.2)

- ***As of March 2023, GoI did not release the balance share of ₹28.31 crore (out of ₹48.98 crore) through North East Special Infrastructure Development Scheme, for procurement of hospital equipment to prepare 10 district hospitals to fight COVID-19 due to non-submission of UC for ₹20.67 crore within the stipulated period of six months.***

(Paragraph 2.3.21.3)

- ***Major equipment and Hospital items worth ₹22.48 crore and consumables worth ₹12.45 crore procured for management of COVID-19 were lying idle in the central medical store, six district medical stores and in the 19 sampled health facilities as on 02 March 2023 in absence of an effective mechanism to ensure optimum utilisation of the idle items.***

(Paragraph 2.3.21.4)

- ***State was lagging behind all-India average in five indicators of SDG-3 (3.2, 3.3, 3.7, 3.8, 3.c).***

2.3.1 Introduction

The Health and Family Welfare Department is responsible for maintaining and developing the healthcare system in the State and guiding and supervising the Health and Family Welfare programmes in the State. The services offered by the Department are preventive and promotive healthcare services, routine curative and rehabilitation services *etc.* The vast network of Health Sub-Centres (HSC²²s), Primary Health Centres (PHC²³s), Urban Primary Health Centres (UPHCs), and Community Health Centres (CHC²⁴s) form the primary tier of public healthcare delivery system for rural and urban population respectively. District Hospitals (DH²⁵s) serve as the secondary tier for rural and urban population while Tertiary²⁶ healthcare involves providing advanced and super-speciality services to be provided by medical institutions in urban areas.

A Performance Audit (PA) was conducted to cover the areas of basic health infrastructure facilities in the State focused on sampled District Hospitals which mainly cater to secondary health care services. The findings were reported in the Comptroller and Auditor General's Performance Audit Report on "Select District Hospitals in Arunachal Pradesh" for the year ended 31 March 2019.

The present SSCA covers the primary health care services which provide health facilities

²² HSCs are peripheral healthcare centers which serve a population of 5,000 in plain areas and 3,000 in hilly areas.

²³ PHCs form the cornerstone of healthcare in rural areas which serve a population of 30,000 in plain areas and 20,000 in hilly areas.

²⁴ CHCs are referral centers and serve a population of 1,20,000 in plain areas and 80,000 in hilly areas.

²⁵ DHs are equipped with advanced equipment and diagnostic services and intensive care facilities.

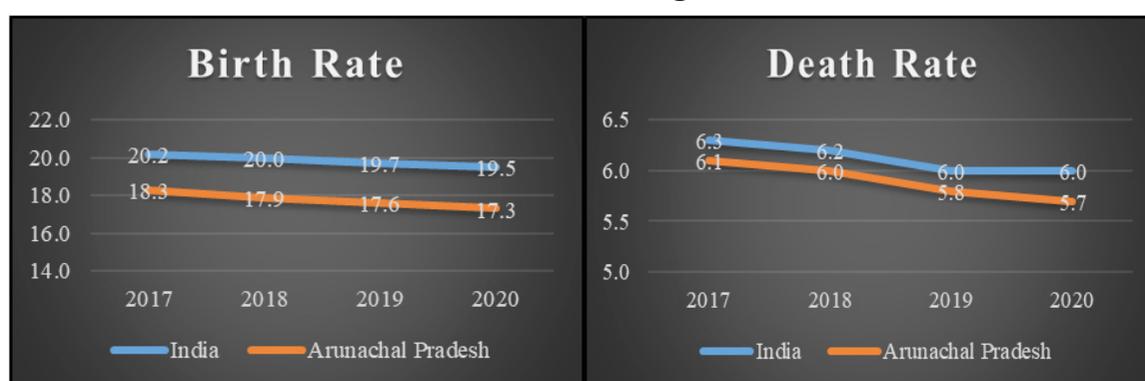
²⁶ Tertiary healthcare is provided by medical colleges and advanced medical research institutes.

at village and block levels. The SSCA also provides a holistic view of improvement of necessary infrastructure, created for meeting emergency related issues and service delivery by the sampled health institutions for the period 2017-18 to 2021-22.

2.3.1.1 Health Profile of Arunachal Pradesh

Birth Rate and Death Rate: As per Sample Registration System (SRS) statistics, 2017-20 of Registrar General of India, Arunachal Pradesh's score in two main health indicators viz. Birth Rate and Death Rate were better than national figures. The graphic comparison between the State and National figures of Birth Rate and Death Rate during 2017-20 is shown in **Chart 2.2**. **Table 2.27** shows the health profile of the State in terms of various indicators.

Chart 2.2: Comparison of Birth Rate and Death Rate of Arunachal Pradesh with National Average



Source: SRS Bulletin of respective years Registrar General, India

Table 2.27: State's Health Profile in terms of various indicators

Indicator	NFHS-4 (2015-16)		NFHS-5 (2019-21)	
	Arunachal	India	Arunachal	India
Total fertility rate (children per woman)	2.10	2.20	1.80	2.00
Neonatal mortality rate (NNMR)	11.80	29.50	7.70	24.90
Infant mortality rate (IMR)	32.90	40.70	18.80	35.20
Children aged 12-23 months fully vaccinated based on information from vaccination card (in per cent)	71.40	71.40	76.40	71.40

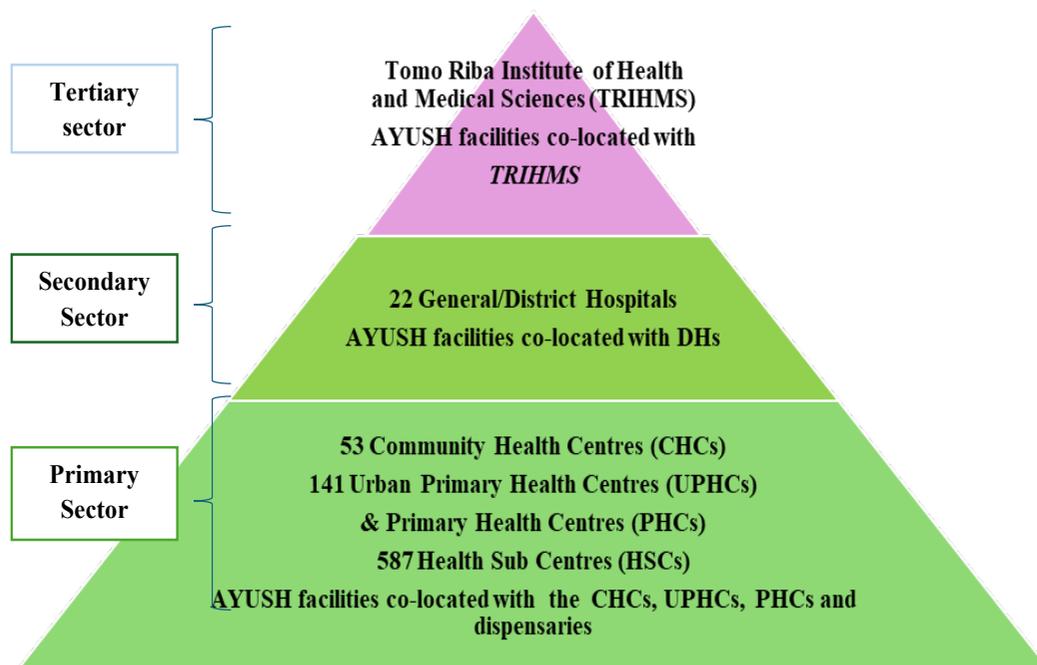
Source: National Family Health Survey 4 and 5

2.3.2 Overview of public healthcare facilities in Arunachal Pradesh

Arunachal Pradesh had a population of 13.84 lakh as per census 2011. To cater to the healthcare services of its citizens at different levels, the State Government established one State Hospital, six General/Zonal Hospitals, 16 District Hospitals (DHs), 53 Community Health Centres (CHCs), 141 Primary/Urban Health Centres (PHCs/UPHCs) and 587 Health Sub-Centres (HSCs). In addition, there are 33 Ayurvedic Dispensaries, 102 Homoeopathic Dispensaries, two Sowa Rigpa, and one Unani for providing AYUSH²⁷ facilities to the people of the State. The structure of public healthcare facilities in the State is shown in **Chart 2.3**.

²⁷ AYUSH is an acronym for Ayurveda, Yoga and Naturopathy, Unani, Siddha and Homeopathy and are the Indian systems of medical treatment

Chart 2.3: Details of Health Facilities in the State



Source: Departmental records

2.3.2.1 Public Health Care facilities at the District and Primary level

The State has DHs/ GHs in 22 out of 25 districts and two districts, viz. Pakke Kessang and Shi-Yomi Districts, have no DHs. The requirement of DH in Papum Pare District was compensated by availability of one State level hospital (TRIHMS) in the district.

District-wise coverage of CHCs, PHCs and SHCs *vis-à-vis* population of the State is given in **Appendix-2.6**. The population coverage per PHC in Namsai (23,988) and Changlang (24,704) districts exceeded the prescribed norm of 20,000. Thus, burden of the population on each PHC for providing health services in Namsai and Changlang districts was more than the prescribed norm. Similarly, in case of SHCs, the population coverage per SHC in Tawang (3,332), West Kameng (3,229), Shi Yomi (4,437), Lohit (3,111), Namsai (6,854), Changlang (4,492) and Longding (3,350) districts was in excess of the prescribed norm of 3,000.

2.3.2.2 Availability of Doctors, Nurses and Paramedics in the DHs, CHCs and PHCs in the State

There is one State hospital (TRIHMS), 22 DHs/ GHs²⁸, 53 CHCs and 141 PHCs in the State. The Department of Health & Family Welfare, GoAP had not notified sanctioned strength for any category of health facilities. Hence, sanctioned strength of the health facilities was worked out based on IPHS norms. Facility-wise sanctioned strength as per IPHS norms is shown in **Table 2.28**.

²⁸ Six General/ Zonal Hospitals and 16 District Hospitals

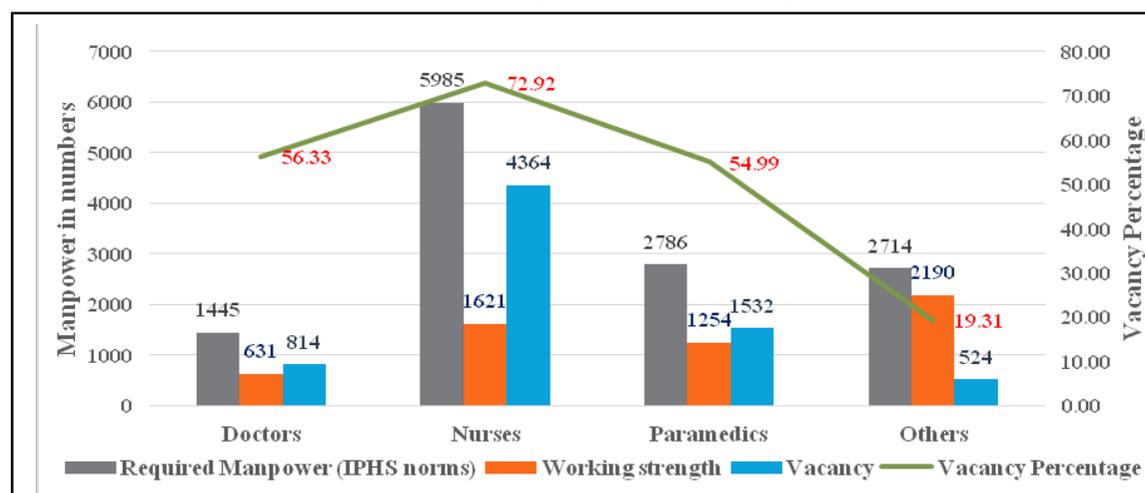
Table 2.28: Sanctioned Strength as per IPHS norms

Type of Health facility	Sanctioned Strength			
	Doctors/Specialists	Nurses	Paramedics	Others
TRIHMS (500 bedded)	61	396	97	149
DH (100 bedded)	30	128	46	50
CHC (30 bedded)	11	47	21	17
PHC	1	2	4	4

Source: Departmental records

The overall sanctioned strength, working strength and vacancy position of Doctors/ Specialists, Nurses, Paramedics and Others in the State is depicted in **Chart 2.4**.

Chart 2.4: Overall sanctioned strength, working strength and vacancy position



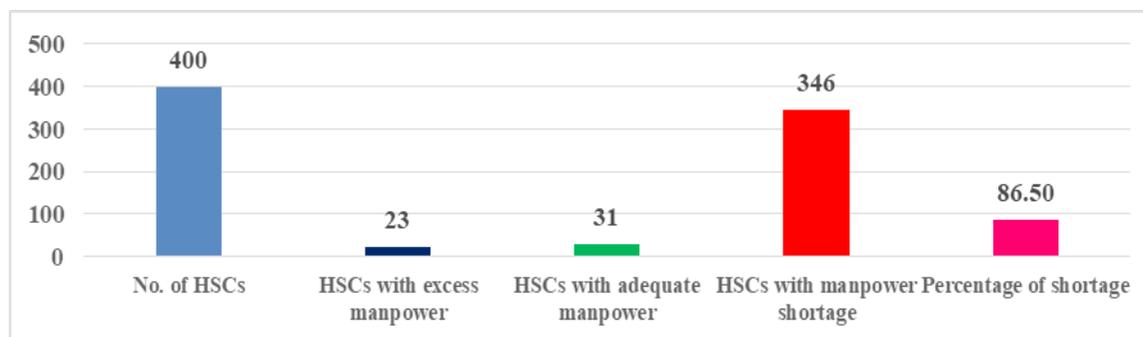
Source: Departmental records

It can be seen from the above graph that overall vacancy position of Doctors/ Specialists, Nurses, Paramedics and Others in DHs, CHCs and PHCs in the State ranged between 19 to 73 per cent. Shortage was least for other staff and highest for the nurses.

2.3.2.3 District-wise Manpower Position in HSCs

The total no. of Health Sub-Centers (HSCs) in the State was stated to be 587 by the Directorate of Health Services (DHS). However, out of 587, only 400 HSCs were reporting their status of manpower in the HMIS portal of the State Health Society (SHS). Thus, there was a significant mismatch of data regarding HSCs between the two institutions. HSCs witnessed 87 per cent shortages of manpower in the State. District-wise position of manpower in HSCs is given in **Appendix-2.7**. Availability of HSCs in the District and the number of the HSCs which witnessed shortages of manpower *vis-à-vis* the norms ranged from 54 to 100 per cent. Highest shortage was noticed in eight²⁹ districts (100 per cent) with no manpower whereas highest excess of 25 per cent was in Tirap district. The overall status of manpower in 400 HSCs is provided in **Chart 2.5**.

²⁹ Dibang Valley, Kra Daadi, Pakke Kesang, Shi Yomi, Siang, Upper Siang, Upper Subansiri and West Kameng

Chart 2.5: Overall Status of Manpower in HSCs

Source: Departmental records and HMIS Data

The findings of the SSCA are discussed in the succeeding paragraphs.

2.3.2.4 OPD Services in the DHs and CHCs

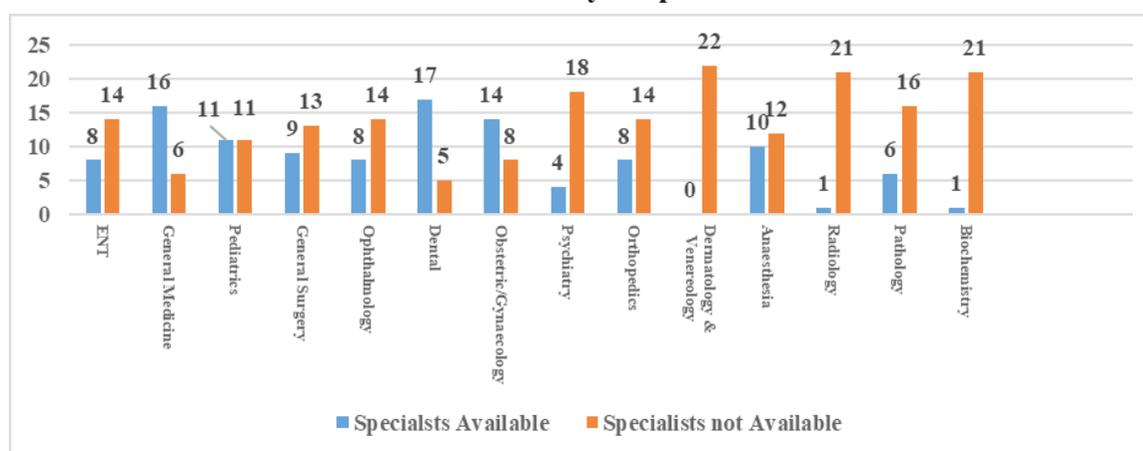
Outpatient Department is structured as the primary point of communication between the patient and medical professionals. In OPD, patients are examined by OPD doctors and further diagnostic tests are prescribed, where necessary, for evidence-based diagnosis and/or drugs are prescribed or admission in IPD is advised based on the diagnosis.

Audit findings pertaining to OPD services in the health facilities are as follows:

(i) Availability of Specialist Services in OPD in DHs

According to IPHS norms, the District Hospitals are supposed to provide the Out Patient Department (OPD) services in General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Ophthalmology, Otorhinolaryngology (ENT), Orthopedics, Psychiatry, Dental Care *etc.*

Status of availability of specialist services in OPD in 22 DHs in the State is reflected in **Chart 2.6**.

Chart 2.6: Status of availability of specialist services in OPD

Source: Departmental records

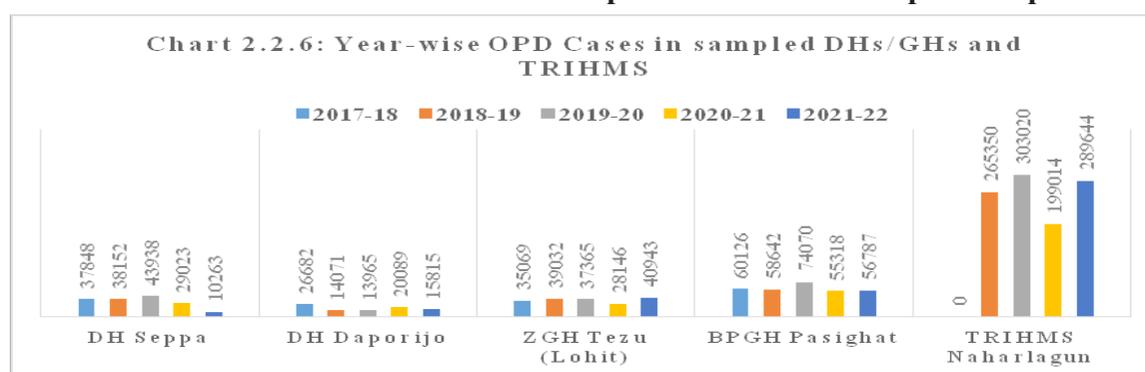
It can be seen from the above graph that specialist services of Dermatology & Venereology were not available in any of the DHs/GHs. Further, specialists of Radiology and Biochemistry were available only in DH, Bomdila. Moreover, 11 to 18 DHs/ GHs in the State did not provide specialist services of Pediatrics (11), Anesthesia (12), Orthopedics (14), Pathology

(16) and Psychiatry (18). However, all the specialist services except Biochemistry were available at the State level hospital in TRIHMS.

(ii) Inadequacy of registration counters in the sampled DHs

The ‘waiting time’ at the Reception/ Registration counter of a health facility plays a vital role in developing trust in the quality of service of medical treatment or diagnosis and long waiting time in hospital causes dissatisfaction among patients. Assessor’s Guidebook estimates the average time required for registration to be 3-5 minutes per patient, which roughly works out to about 20-12 patients/ hour per counter. Year-wise OPD cases for the period 2017-22 of the sampled District Hospitals are shown in **Chart 2.7**.

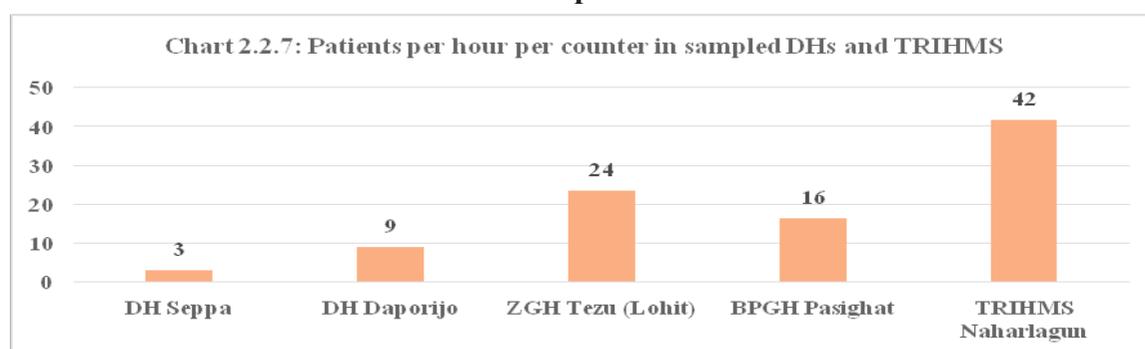
Chart 2.7: Year-wise OPD cases for the period 2017-22 in sampled Hospitals



Source: Departmental records

The average time taken by OPD counters in sampled Hospitals to register patients ranged from 3-42 minutes, as indicated in **Chart 2.8**.

Chart 2.8: Average Time (in minutes) required to register patients in sampled Hospitals



Source: Information furnished by Hospitals

(iii) Availability of Specialist Services in OPD in CHCs

According to IPHS norms (April 2022) the CHCs are supposed to provide the Out Patient Department (OPD) services in General Medicine, General Surgery, Obstetrics & Gynaecology, Paediatrics, Dental Care, AYUSH etc. Status of availability of specialists in 53 CHCs of the State is reflected in **Chart 2.9**.

Chart 2.9: Availability of services in 53 sampled CHCs



Source: Departmental records

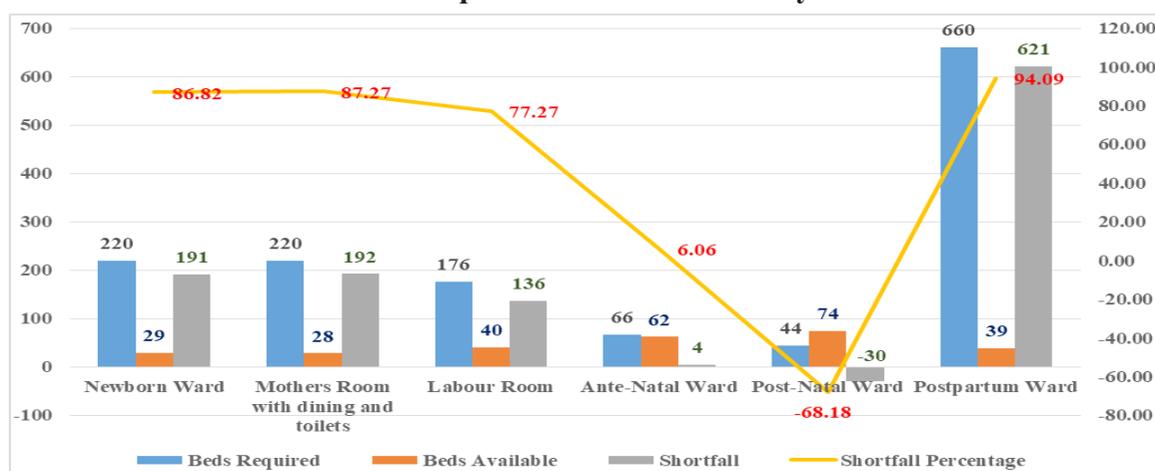
It could be seen from the above graph that specialist services of Pediatrics and General Surgery were available in only one CHC (Pediatrics- CHC Doimukh and General Surgery-CHC Ruksin) out of 53 CHCs. Further, specialist of Obstetrics and Gynaecology was also available in only three CHCs of the State. Moreover, 14 to 28 CHCs in the State did not provide facilities of Laboratory Services (14), Emergency (16), Dental (26) and General Medicine (28).

2.3.2.5 Availability of beds in the District Hospitals in the State

As per IPHS norms, the DHs are classified into five³⁰ grades from Grade-I to Grade-V District Hospital according to the bed strength of the respective hospitals. In Arunachal Pradesh there were 22 DHs/GHs, out of which only three³¹ DHs/GHs had 100 or more beds whereas two³² DHs had eight beds each which is even lesser than the minimum required beds in CHCs (30 beds) as per IPHS norms.

Requirement and availability of beds in maternal and childcare wards as per IPHS norms in 22 DHs/GHs are shown in Chart 2.10.

Chart 2.10: Requirement and availability of Beds



Source: Information furnished by DHs

³⁰ Grade-I DH with 100 beds, Grade-II with 200 beds, Grade-III with 300 beds, Grade-IV with 400 beds and Grade-V with 500 beds District Hospital

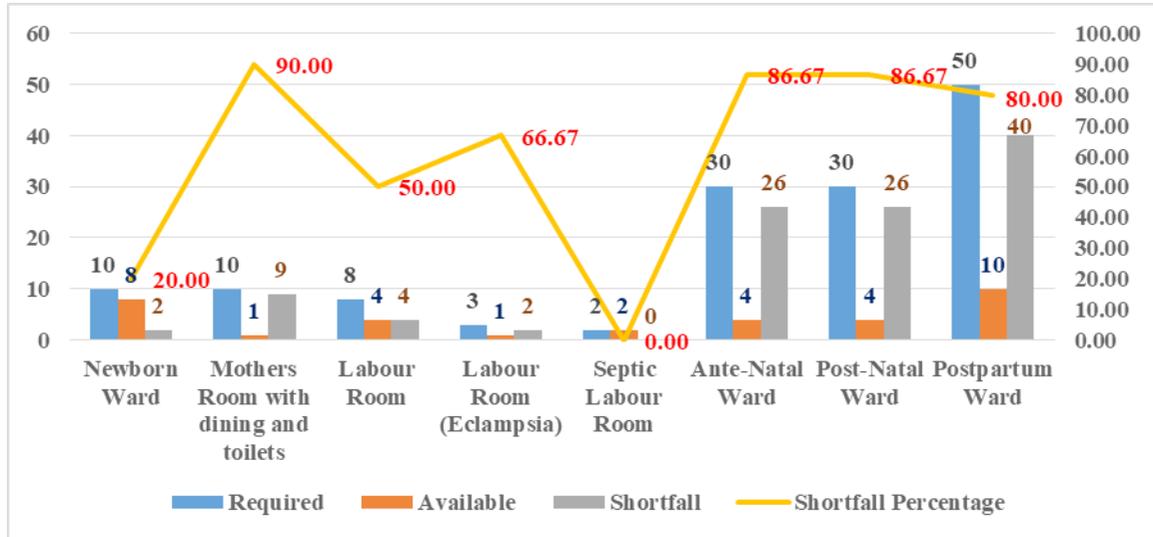
³¹ Tawang, Lower Subansiri and Pasighat

³² Kamle and Siang

Shortfall in availability of beds in Maternity and Child Care Wards ranged from 6 to 94 per cent for different wards across the 22 DHs/GHs in the State. However, Post-Natal Wards were in excess by 68.18 per cent across the DHs.

Further, in TRIHMS, though there were sufficient Septic Labour Rooms as per IPHS norms, other Maternity and Child Care wards had shortages of beds ranging from 20 to 90 per cent as depicted in **Chart 2.11**.

Chart 2.11: Shortage of beds in TRIHMS

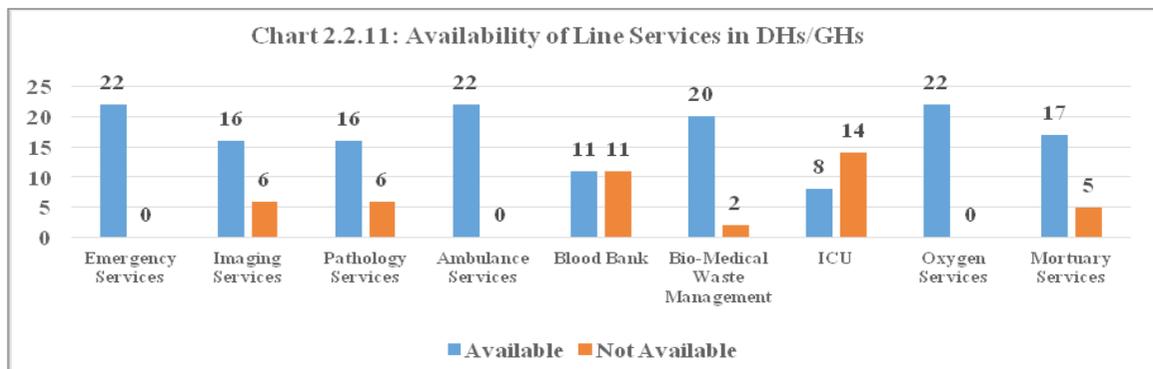


Source: Information furnished by TRIHMS

2.3.2.6 Availability of Line Services in DHs in the State

According to the IPHS norms, the District Hospitals are supposed to provide essential services like emergencies and Critical care/ ICU and line services like Ambulance, Blood Bank, Imaging Services etc. Status of availability of essential and line services in 22 DHs/GHs in the State is shown in **Chart 2.12**.

Chart 2.12: Status of availability of essential and line services



Source: Departmental records

It can be seen from **Chart 2.12** that services of ambulance, emergency and oxygen were available in all the DHs/GHs. However, Critical care/ ICU was not available in 14 out of 22 DHs/GHs. Further, imaging and pathology services were available in 16 DHs of the State. Moreover, the facility of blood bank was not available in 11 DHs whereas the facility of Bio-Medical Waste management and Mortuary was not available in two to five DHs.

However, all the essential and line services were available at the State level hospital in TRIHMS.

2.3.2.7 Availability of Support Services in the sampled District Hospitals

According to the IPHS, the DHs are supposed to provide dietary and laundry support services to the patients admitted in the IPD. All the five sampled DHs were providing these two support services to the IPD patients.

2.3.2.8 Status of Implementation of PMJAY in Arunachal Pradesh

Ayushman Bharat is a flagship health scheme of the Government of India, launched on 23 September 2018 to achieve Universal Health Coverage (UHC) as recommended in the National Health Policy, 2017. Pradhan Mantri Jan Arogya Yojana (PMJAY) aims to provide health insurance cover of ₹5.00 lakh per family per year for secondary and tertiary care hospitalization.

For universal coverage of health services, two programmes were being implemented in the State: PMJAY, a Central Scheme and Chief Minister Arogya Arunachal Yojana (CMAAY), the corresponding State Scheme.

Data on Monthly Per Capita out of Pocket expenditure on health as a share of Monthly per Capital consumption Expenditure was not available with the Department. Further, study or survey was not conducted to compile data.

Due to non-availability of data, Government could not assess the current load of expenses on targeted people and plans to reduce it.

An internal team in place of State Empanelment Committee (SEC) was constituted in the State for implementation of PMJAY. District Implementation Units (DIUs) were set up in 22 districts and formation of DIUs was in process in the remaining three districts viz. Lohit, Siang, and East Kameng and ICR (Itanagar Capital Region) in Papum Pare District.

The State had empaneled 62 hospitals (44 public hospitals, 16 GoI hospitals and 02 private hospitals) under PMJAY and 28 private hospitals under CMAAY as of March 2022.

The trends of beneficiary admissions in public hospitals and private hospitals and claims paid to hospitals during 2018-19 to 2021-22 as given by the Department are shown in Tables 2.29 to 2.32.

Table 2.29: Number of beneficiaries admitted in public and private hospitals under PMJAY during 2018-19 to 2021-22

Portability/ Non-Portability	Private/ Public Hospital	Number of beneficiaries admitted in public and private hospitals during the financial year(s):				Grand Total
		2018-19	2019-20	2020-21	2021-22	
Portability	Public	9	6	13	18	46
	Private	10	4	2	19	35
Non- Portability	Public	151	1175	156	179	1661
	Private	0	7	1	89	97
Total						1839

Source: Departmental records

Table 2.30: Amounts of claim paid to public and private hospitals under PMJAY during 2018-19 to 2021-22

Nature of Hospital	Claims paid during the years (₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	Total
Public	0.07	1.07	0.68	0.29	2.11
Private	0.02	0.09	0.03	0.21	0.35

Source: Departmental records

Table 2.31: Number of beneficiaries admitted in public and private hospitals under CMAAY during 2018-19 to 2021-22

Portability/ Non-Portability	Private/ Public Hospital	Number of beneficiaries admitted in public and private hospitals during the financial year(s):				Grand Total
		2018-19	2019-20	2020-21	2021-22	
Portability	Public	36	60	46	387	529
	Private	27	97	75	266	465
Non-Portability	Public	236	1940	1877	4337	8390
	Private	0	21	143	837	1001
Total						10385

Source: Departmental records

Table 2.32: Amounts of claim paid to public and private hospitals under CMAAY during 2018-19 to 2021-22

Nature of Hospital	Claims paid during the years (₹ in crore)				
	2018-19	2019-20	2020-21	2021-22	Total
Public	0.0911948	1.3728052	1.4736528	10.435749	13.37
Private	0.0075	0.3296694	1.0481925	4.6214306	6.01

Source: Departmental records

(i) Implementation of PMJAY and CMAAY

Under PMJAY, ₹4.01 crore was allocated during 2018-19 to 2021-22, out of which ₹2.95 crore was utilised. A total of 4,27,100 beneficiaries were identified to be eligible for benefits under the Scheme in the State based on Socio-Economic Caste Census 2011, out of which 46,503 were verified as of March 2022. A total of 1,749 beneficiaries availed treatment amounting to ₹2.46 crore as of March 2022.

Before CMAAY Scheme, Arunachal Pradesh Chief Minister Universal Health Insurance Scheme (APCMUHIS) was launched in February 2014 on insurance model. Under the scheme, ₹30 crore and ₹50 crore were sanctioned in 2016-17 and 2018-19 respectively. However, only ₹24.91 crore was released to the Society in 2016-17 and no fund was released during 2018-19. As the Scheme was in transition phase from APCMUHIS to CMAAY (from Insurance to Assurance), fund was not deposited into the Society's account. Further, no fund was released during 2020-21.

The Society was designated as State Health Agency and is implementing Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (AB PMJAY) and Ayushman Bharat Digital Mission (ABDM) besides Chief Minister Arogya Arunachal Yojana (CMAAY).

During the period 2018-22, a total of 9,43,358 beneficiaries were identified as target population under the CMAAY scheme in the State. Health Cards were issued to 4,83,243 beneficiaries (till March 2022) and 9,593 beneficiaries availed treatment amounting to ₹19.4 crore.

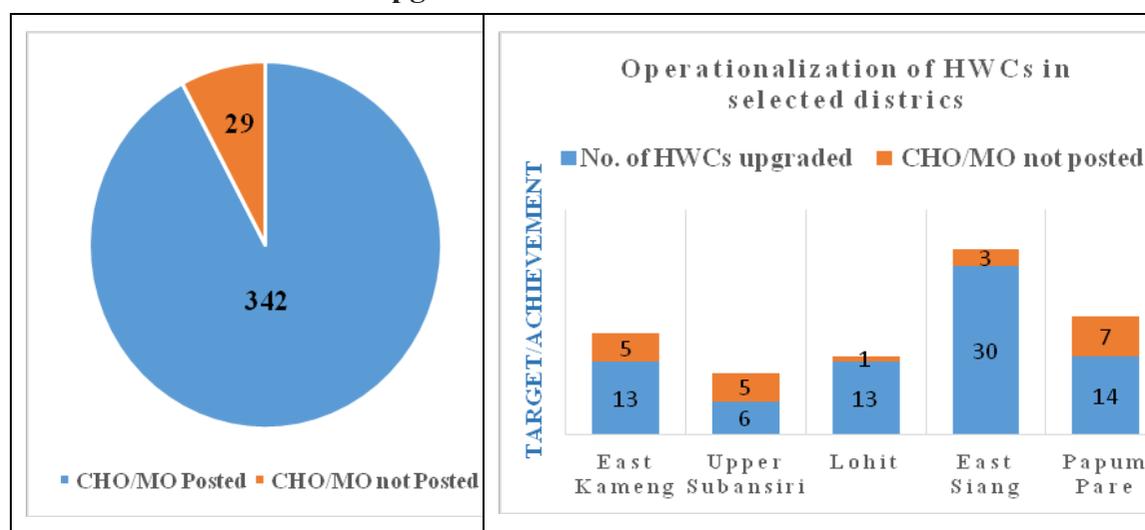
District-wise beneficiaries verified and enrolled under the two schemes till March 2023 are given in **Appendix-2.8**.

2.3.2.9 Operationalisation of Health and Wellness Centres (HWCs)

In February 2018, the Government of India announced the creation of 1,50,000 Health and Wellness Centres (HWCs) by transforming existing Sub Centres and Primary Health Centres as the base pillar of Ayushman Bharat. These centres would deliver Comprehensive Primary Health Care (CPHC) bringing healthcare closer to the homes of people covering both maternal and child health services and non-communicable diseases, including free essential drugs and diagnostic services.

Out of 371, 29 HWCs were functioning without any Medical Officer/Community Health Officer (MO/CHO) as shown in **Chart 2.13**.

Chart 2.13: Upgradation of Health and Wellness Centre



It can be seen from **Chart 2.13** that Lohit (93 *per cent*) and East Siang (90 *per cent*) districts performed better in operationalization of HWCs. However, percentage of non-operationalization of HWCs ranged from 83 (Upper Subansiri) to 08 (Lohit) *per cent* in the five sampled districts.

2.3.2.10 Medical College in the State

During the period of audit from 2017-18 to 2021-22, the first medical college of the State, namely Tomo Riba Institute of Health and Medical Sciences (TRIHMS) was established in 2017. Academic Session in TRIHMS commenced from 2018-19 with an intake capacity of 50 MBBS students. Shortfall in teaching faculty in the posts of Professor and Assistant Professor was ten and eight respectively. The medical college was yet to be affiliated for any Post-Graduate Course.

2.3.3 Planning for National Health Programmes

As per the Operational Guidelines for Financial Management of NHM, a bottom-up approach for planning and budget is to be followed. The process begins at the block level, which prepares the “Block Health Action Plan” based on input/discussions with the implementing units and sends to the district. These Block Health Action Plans are then aggregated to form an “Integrated District Health Action Plan (IDHAP)” which is further

sent to the State Level. The IDHAPs of all districts are compiled and aggregated at the State level for framing the “State Program Implementation Plan (SPIP)”. All SPIPs are reviewed and compiled to estimate the next year’s fund requirements for programme activities under NHM.

Scrutiny of records revealed that the State Health Society (SHS) gave instructions to the District Health Societies to prepare IDHAP every year during the period from 2017-18 to 2021-22. However, it was observed that IDHAPs submitted by the districts were not compiled and aggregated in the preparation of SPIP at the State level. It was stated that the SPIPs were prepared by taking inputs directly from the district offices since the proposals of the districts were unrealistic and the districts did not submit their plans on time. However, no such supporting records of consultations with the districts were made available to audit. Thus, the purpose of bottom-up approach planning was defeated due to unrealistic and untimely submission of IDHAPs by the districts during the entire five-year period of 2017-22.

Due to absence of effective bottom-up approach in planning, actual requirements of PHCs and CHCs were not considered by conducting baseline survey of PHCs and CHCs. This was evident from non-availability of dietary (Paragraph 2.3.15) and laundry services (Paragraph 2.3.15), basic medicines, equipment, ambulance with basic life support (Paragraph 2.3.18) at the sampled PHCs and CHCs. Observations pertaining to lack of facilities in the sampled PHCs and CHCs are discussed in the above-mentioned Paragraphs later in the Report.

The Department during the Exit Conference (28 February 2023) accepted the audit observation and assured to take corrective measures for bottom-up approach planning of the National Health Programmes.

2.3.4 Budget allocation and expenditure

The Health and Family Welfare Department, Government of Arunachal Pradesh received funds from two main sources: (i) State budget and (ii) Grants-in-Aid from GoI, under National Health Mission (NHM) with corresponding share of the State Government.

2.3.4.1 Funds under State Budget

National Health Policy (NHP), 2002 envisages that the State Governments has to increase commitment to Health Sector up to eight *per cent* of their budget by 2010, while NHP 2017 envisages raising Public Health Sector spending to more than eight *per cent* of the budget by 2020. The State Government did not frame its own Health Policy but adopted the NHP. The budget allotment and expenditure of the State Government and of the Health and Family Welfare Department during 2017-23 is shown in Table 2.33.

Table 2.33: Budget allocation and expenditure during the period 2017-23

(₹ in crore)

Figure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Budget Allocation	20141.23	26835.17	23487.10	25600.81	27920.97	32965.08	156950.36
Expenditure	14526.37	18457.16	16281.40	18674.05	22934.60	26268.78	117142.36
Outlay on Health	1119.69	1776.74	1506.30	1048.85	1407.13	1672.34	8531.05
Expenditure on Health	935.23	1117.62	1003.40	939.56	1372.34	1578.08	6946.23

Figure	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	Total
Savings against Health Allocation	184.46	659.12	502.90	109.29	34.79	94.26	1584.82
Percentage Savings	16.47	37.10	33.39	10.42	2.47	5.64	18.58
Percentage of Outlay on Health to Budget Allocation	5.56	6.62	6.41	4.10	5.04	5.07	5.44
Percentage of Expenditure on Health to Total Expenditure	6.44	6.06	6.16	5.03	5.98	6.01	5.93
GSDP	22474.77	25334.86	30025.23	30945.33	35483.76	39671.24	-
Percentage of Expenditure on Health as compared to GSDP of State	4.16	4.41	3.34	3.04	3.87	3.98	-

Source: Appropriation Accounts and State Finances Audit Report

As can be seen from **Table 2.33**, budgetary outlay on health services in the State during the six-year period 2017-2023 ranged from 4.1 *per cent* of the State budget in 2020-21 to 6.62 *per cent* in 2018-19. In none of the years the State Government allocated 8 *per cent* of its budget to the health sector. Expenditure on health services as percentage of total expenditure ranged from 5.03 *per cent* in 2020-21 to 6.44 *per cent* in 2017-18 and did not reach 08 *per cent* in any of the audit period. The Department did not utilise the allocated funds during the six-years period 2017-2023 with savings of ₹34.79 crore in 2021-22 and ₹659.12 crore in 2018-19. Due to low utilisation of funds, basic health facilities faced significant deficiencies in infrastructure (**Paragraph 2.3.7**), shortage of specialist doctors, nurses, paramedics (**Paragraph 2.3.2.2**), diagnostics (**Paragraph 2.3.9.4**), emergency (**Paragraph 2.3.10.4**) and support services (**Paragraph 2.3.2.7**) *etc.* as observed in the sampled health facilities.

The Department during the Exit Conference (28 February 2023) stated that it was aware of the shortcoming and will take necessary corrective measures.

2.3.4.2 Funds under National Health Mission

Funds under NHM were sanctioned to the State by the GoI in the form of Grants-in-Aid and were released to the Mission Director, NHM, Government of Arunachal Pradesh (GoAP) based on the Approved State Programme Implementation Plans (SIPs). The year-wise position of receipt of funds and expenditure incurred by the Mission Director, NHM during the five-year period 2017-18 to 2021-22 is shown in **Table 2.34**.

Table 2.34: Receipts and Expenditure by NHM

(₹ in crore)

Year	Opening Balance	Funds received from				Expenditure	Unspent Balance percentage)
		GoI	GoAP	Interest	Total		
2017-18	81.84	191.39	19.52	1.74	294.49	166.83	127.66 (43)
2018-19	127.66	192.54	16.89	2.45	339.54	173.16	166.38 (49)
2019-20	166.38	156.84	28.39	2.18	353.79	223.46	130.33 (37)
2020-21	130.33	221.29	25.31	1.63	378.56	261.01	117.55 (31)
2021-22	117.55	169.31	25.58	0.76	313.20	143.00	170.20 (54)
2022-23	170.20	204.36	22.70	0.89	398.15	390.19	7.96 (2)
Total		1135.73	138.39	9.65	-	1357.65	-

Source: State Health Society, NHM, GoAP

As can be seen from **Table 2.34**, out of the total funds of ₹1,365.61 crore³³ available during 2017-22, the Mission Director, NHM could utilise ₹1,357.65 crore (99 per cent).

2.3.5 Audit objectives

The compliance audit was conducted to ascertain that:

- i. primary healthcare infrastructure and services are available and properly managed,
- ii. support services in the primary health care facilities are available and adequate,
- iii. there was efficient utilisation of assets created for medical emergencies in the State, and
- iv. the health and wellbeing conditions of people have been improved as per SDG 3.

2.3.6 Audit Scope and Methodology

The scope of audit involved assessing the functioning of the sampled PHCs/UPHCs and CHCs (**Appendix-2.9**) during 2017-22 and evaluating the outcomes of the selected indicators. Out of 13 CHCs and 42 PHCs in the five Districts³⁴, nine CHCs and 10 PHCs/UPHCs (two PHCs/UPHCs and two CHCs from each district) were sampled by adopting Probability Proportional to Size without Replacement (PPSWOR) method for detailed scrutiny. The districts sampled were the same as those sampled in the Performance Audit of Select District Hospitals in Arunachal Pradesh (Report No. 2 of 2020) in order to maintain a holistic view.

Audit was conducted during June to September 2022. The audit examination included scrutiny of records maintained at the Directorate of Health Services (DHS), Directorate of Family Welfare (DFW), office of the Mission Director (MD), National Health Mission (NHM), Arunachal Pradesh, offices of the District Medical Officers (DMOs) and sampled CHCs and PHCs/UPHCs covering two geographical regions *viz.* two districts in the Eastern Region and three districts in the Western Region.

Further, the Districts Hospitals/General Hospitals (DHs) and the State Hospital (TRIHMS) in the sampled districts were also covered to ascertain the status of utilisation of infrastructure created and equipment procured and installed during the COVID pandemic for meeting emergencies in future.

Audit methodology involved scrutiny and analysis of records/ data as per the audit objectives, scope and criteria, evidence gathering by scanning of records, joint physical inspection of various facilities of the sampled health care facilities and by taking photographs, issuing questionnaires/ audit observations, and obtaining replies, *etc.* The audit observations are suitably incorporated in this Report.

³³ ₹81.84 crore + ₹1,135.73 crore + ₹138.39 crore + ₹9.65 crore

³⁴ East Kameng- one CHC and eight PHCs, Lohit- two CHCs and four PHCs, Papum Pare- four CHCs and 16 PHCs/ UPHCs, East Siang- two CHCs and nine PHCs/ UPHCs and Upper Subansiri- four CHCs and five PHCs.

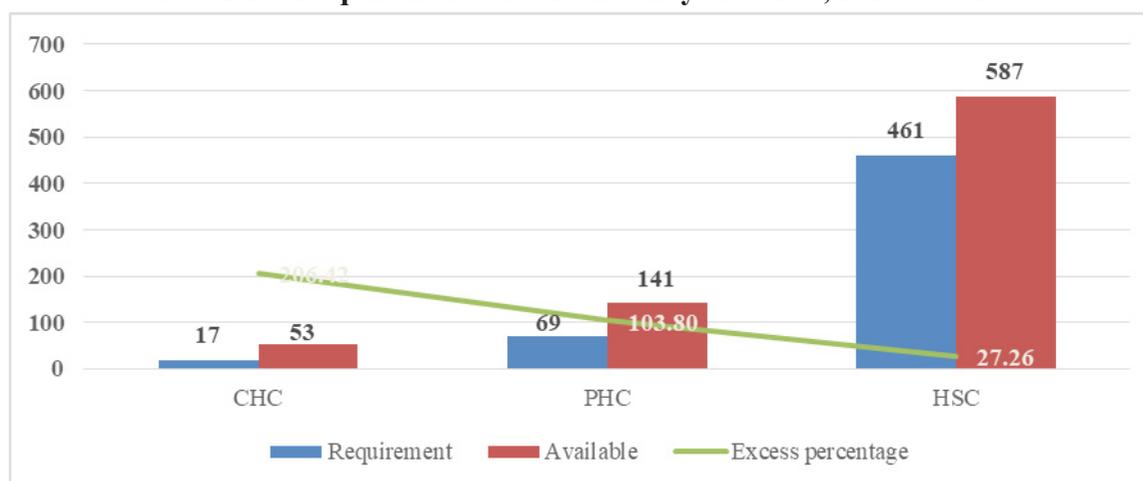
Audit findings

Audit objective 1: Whether primary healthcare infrastructure and services are available and properly managed.

2.3.7 Physical infrastructure**2.3.7.1 Availability of CHCs, PHCs and HSCs**

The required number of health facilities as per IPHS norms, their availability and shortfall thereof, against the three categories of healthcare infrastructure as of March 2023 is shown in Chart 2.14.

Chart 2.14: Requirement and Availability of CHCs, PHCs & HSCs



Source: Departmental records

As per the norms, the overall availability of CHCs, PHCs and HSCs in the State was in excess of the requirement.

2.3.7.2 Non-availability of Blood Storage facilities

As per Assessor's Guidebook for CHCs, blood storage and transfusion services pertain to essential services that CHC should provide to the needy patients.

Audit noticed that out of the nine sampled CHCs, blood storage and transfusion Services were available in CHC, Ruksin only. The major and minor surgeries including C-section delivery could not be performed due to non-availability of blood storage and transfusion services in the remaining sampled CHCs. Thus, referral of 1,092 (5.98 per cent) out of 18,260 patients admitted in IPD in the sampled CHCs during the period 2017-22 to District and State level health care facilities may be attributed to non-availability of blood storage and transfusion Services.

The Department during the Exit Conference (28 February 2023) accepted the audit observation and stated that gap analysis of the health facilities has been conducted. It further stated that deficit in health infrastructure will be strengthened with funding from Health System Strengthening (HSS) component of NHM and from the resource allocation under the 15th Finance Commission.

2.3.8 Availability of services manpower in the sampled health facilities

Availability of manpower *vis-à-vis* IPHS norms in sampled health facilities is discussed below (details are given in *Appendix-2.10*).

Asymmetric distribution of doctors in the sampled CHCs was noticed with 36 *per cent* excess doctors in CHC Ruksin and a shortfall of 36 to 91 *per cent* doctors in seven other CHCs. Similarly, the deployment of nurses and paramedical staff across the sampled CHCs suffered shortage of 43 to 97 *per cent*.

There was excess deployment of doctors ranging from one to seven in the sampled PHCs. However, no doctor was posted at PHC Bulla Camp. Further, deployment of nurses and paramedical staff across the sampled PHCs suffered shortage of 33 to 67 *per cent* in three PHCs, while Chimpu had 933 *per cent* excess manpower in this category.

The shortage of doctors especially Specialists Doctors and Nurses is an area of concern as the patients are deprived of quality treatment.

The Department during the Exit Conference (28 February 2023) accepted the audit observation and stated that it has framed a Transfer Policy to ensure that the staff is posted rationally according to the sanctioned strength of the health facilities and this is expected to help the situation.

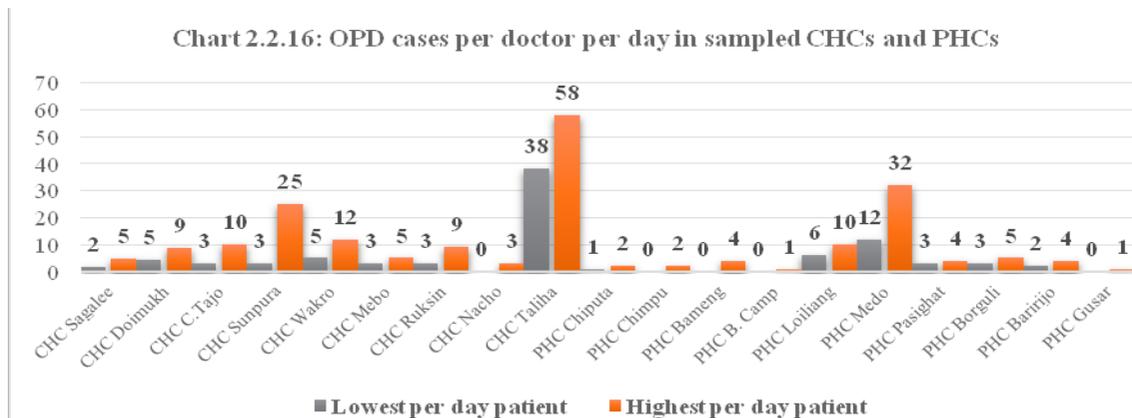
2.3.9 Out-Patient Department Services in PHCs and CHCs

Out-Patient Department (OPD) normally remains integrated with the in-patient services and is staffed by physicians and surgeons who also attend inpatients in the wards. Many patients are examined and given treatment as outpatients before being admitted to the hospital later as inpatients. Audit findings pertaining to OPD services like consultation time and other basic facilities/services are discussed in the following Paragraphs:

2.3.9.1 Patient load in OPD

It was noticed that OPD cases per doctor were low in sampled CHCs and PHCs during 2017-18 to 2021-22 except CHC Sunpura, CHC Taliha and PHC Medo as shown in **Chart 2.15** which indicates that patients preferred higher level of health facilities for treatment. However, patient load was low in seven³⁵ health facilities despite sufficient or excess doctors as shown in *Appendix-2.10*.

Chart 2.15: OPD cases per doctor per day in sampled CHCs & PHCs



Source: Records of sampled health facilities

³⁵ CHCs: Doimukh & Ruksin and PHCs: Bameng, Medo, Pasighat, Chimpu & Chiputa

2.3.9.2 Availability of Basic Services in OPD in sampled PHCs and CHCs

Audit observed that out of 19 sampled health facilities none of them had all required basic facilities like functional AYUSH clinic, DOTS clinic, NCD clinic, geriatric clinic, water, purifier, fire extinguisher *etc.* Due to non-availability of basic facilities, the patients were deprived of quality treatment as envisaged under IPHS norms.

The Department during the Exit Conference (28 February 2023) accepted the audit observation and stated that gap analysis of the health facilities has been conducted. It further stated that deficit in health infrastructure will be strengthened with funding from Health System Strengthening (HSS) component of NHM and from the resource allocation under the 15th Finance Commission. However, the Department could not furnish a copy of the Gap Analysis carried out by them.

2.3.9.3 Availability of Specialists in OPD in sampled CHCs

Availability of specialists as per IPHS norms in sampled health facilities is discussed below (details are given in *Appendix-2.11*).

- Psychiatrist and Neonatologist were not available in any of the sampled health centres. Pediatrics specialist was available only in CHC, Doimukh.
- The ENT specialist, Dermatologist, Venereologist and Orthopedics were available only in CHC, Sagalee whereas Eye specialist, General Surgeon and Ophthalmologist were available in two CHCs, Sagalee and Ruksin.
- Only three sampled health facilities had Dental and Postpartum specialists.

In absence of medicine specialist in the sampled CHCs, General Duty Medical Officers (GDMOs) were providing the services of medicine treatment to the patients.

Due to non-availability of specialist service in CHCs, patients from rural areas had to travel to DHs for better treatment; thereby increasing out of pocket expenses of the patients and burdening resources of the DHs. It was confirmed that 1,551 (3.96 *per cent*) out of 39,105 patients emergency cases in sampled CHCs during the period 2017-22 were referred to District and State level health care facilities.

The Department during the Exit Conference (28 February 2023) agreed to the audit observation but also added that Arunachal Pradesh Public Service Commission (APPSC) has been approached to fill up the vacancies of Specialists. However, posts could not be filled up due to lack of aspirants.

2.3.9.4 Availability of diagnostic services

As per Assessor Guidebook, the health facilities should provide diagnostic service which covers availability of Laboratory, Radiology and other diagnostics services in the respective Departments.

(i) Free Essential Diagnostic Initiative

The Government of India under the National Health Mission launched (July 2015) the Free Essential Diagnostics Initiative to address high out of pocket expenditure on diagnostics.

In Arunachal Pradesh, the Free Essential Diagnostics Initiative was launched from 2020-21 on PPP model. During the period 2020-22, ₹11.36 crore was incurred on implementation

of the Scheme. The services under the Scheme were launched in TRIHMS, 21 DHs/GHs, 14 CHCs (out of 53) and 25 PHCs/UPHCs (out of 141). However, none of the 587 HSCs was covered under the Scheme. Out of 09 sampled CHCs, only 04 CHCs (Mebo, Ruksin, Doimukh and Sagalee) and out of 10 sampled PHCs, only 04 PHCs/ UPHCs (Banskata, Borguli, Chimpu and Chiputa) were covered under the Scheme.

The Department during the Exit Conference (28 February 2023) accepted the audit observation.

(ii) Availability of Radiology services

The role of radiology is central to the detection, staging and treatment of diseases. Therefore, adequate availability of functional radiology equipment, skilled human resources and consumables are the key requirements for the delivery of quality radiology services. IPHS norms prescribed services of X-ray and Ultrasound for CHCs.

X-ray and Ultrasound facilities were not available in-house in any of the sampled CHCs except at CHC, Wakro. However, the Free Essential Diagnostics Scheme provided ultrasonography service at CHCs in Sagalee and Mebo.

The Department during the Exit Conference (28 February 2023) accepted the audit observation.

2.3.9.5 Laboratory services in CHCs and PHCs

As per IPHS norms, 33 and 16 types of pathological investigations in respect of CHCs and PHCs respectively are to be carried out under different categories, viz., clinical pathology, pathology, microbiology, serology, biochemistry etc.

Audit observed that the complete range of pathological investigations was not available in any of the sampled CHCs and PHCs as shown in **Appendix-2.12**. Availability of pathological investigations in the sampled CHCs and PHCs is discussed as below:

- None of the test facilities were available in Chayangtajo, Nacho & Taliha CHCs. Pathology Test for total RBC count was not available in four CHCs (Nachos, Taliha, Sunpura and Doimukh).
- Tests under Stool Analysis were not available in any of the CHCs except Wakro.
- Test facilities under Microbiology services were not available in any of the CHCs except Sagalee. ECG facilities were not available in any of the sampled CHCs.
- Liver function test, Kidney function test and Lipid Profile (Biochemistry) test were not available in any of the sampled CHCs except Sagalee, Mebo and Ruksin CHCs.
- PHCs lacked investigation facility under one or more sub-categories of Clinical Pathology, Serology and Biochemistry.

It was also observed that the in-house laboratory facility did not have National Accreditation Board for Testing and Calibration Laboratories (NABL) accreditation. Shortage of paramedics in the sampled CHCs and PHCs as discussed earlier was one of the reasons for non-availability of the services. Non-availability of diagnostic services as prescribed in IPHS norms deprived the patients from availing evidence based health care.

The Department during the Exit Conference (28 February 2023) accepted the audit observation. It was added that gap analysis of the health facilities has been conducted. It was further stated that deficit in health infrastructure will be strengthened with funding from Health System Strengthening (HSS) component of NHM and from the resource allocation under the 15th Finance Commission.

2.3.10 In-Patient Department Services in the PHCs and CHCs

Availability of doctors, nurses, essential drugs/ equipment, dietary services and patient safety along with performance evaluation of IPD services is discussed in the succeeding Paragraphs.

2.3.10.1 Availability of in-patient services in the Primary and Community Health Centres

As per IPHS norms, CHCs should have 30 indoor beds with one Operation theatre, labour room, X-ray, ECG and laboratory facility. Further, as per Assessor's Guidebook, CHCs should also provide specialist care in medicine, surgery, obstetrics, gynaecology, paediatrics, dental and AYUSH which includes availability of OPD consultation, indoor services, surgical procedures and emergency care under different specialties *e.g.* medicine, surgery, pediatrics, *etc.*

Audit observed that in CHCs Chayangtajo, Sunpura and Nacho; separate beds were not available for male and female patients. Only five common beds were available in Chayangtajo and Nacho whereas in Sunpura, seven common beds were available. IPD services were not available in CHC, Taliha. It was observed that availability of beds in none of the CHCs was as per IPHS norms. Further, audit observed that most of the required services were not available in the sampled CHCs as shown in **Table 2.35**.

Table 2.35: Availability of essential IPD services in sampled CHCs

Essential IPD Services	Community Health Centres								
	C. Tajo	Sunpura	Wakro	Nacho	Taliha	Mebo	Ruksin	Sagalee	Doimukh
General Medicine	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes	No Department wise facility available. All patients were kept under care of GDMOs including deliveries
Burn Ward	No	No	No	No	No	No	No	No	
ENT	No	No	No	No	No	No	No	No	
General Surgery	No	No	No	No	No	No	Yes	No	
Ophthalmology	No	No	No	No	No	No	No	Yes	
Orthopaedics	No	No	No	No	No	No	No	No	
Physiotherapy	No	No	No	No	No	No	No	No	
Accident & trauma	No	No	No	No	No	No	No	Yes	
Psychiatry	No	No	No	No	No	No	No	No	
Dialysis	No	No	No	No	No	No	No	No	
Paediatrics	No	No	No	No	No	No	Yes	No	
Dental	No	No	No	No	No	No	No	Yes	

Source: Joint Physical Verification data

Due to non-availability of all in-patient services, the CHCs could not provide comprehensive health care services to the people and 1,092 (5.98 *per cent*) out of 18,260 patients admitted in IPD in the sampled CHCs during the period 2017-22 were referred to District and State level health care facilities.

The Department during the Exit Conference (28 February 2023) accepted the audit observation. It was added that gap analysis of the health facilities has been conducted. It was further stated that deficit in health infrastructure will be addressed with funding from Health System Strengthening (HSS) component of NHM and from the resource allocation under the 15th Finance Commission.

2.3.10.2 Operation Theatre services

Operation Theatre (OT) is an essential service and as per IPHS norms; an Operation Theatre, surgeon and anaesthetist should be available in CHCs. However, it was observed that OT services were not available in any of the sampled facilities except CHC, Ruskin. Further, OT services for Ophthalmology and ENT along with Heat Ventilation Air Conditioning (HVAC) and Suction in OT were not available in CHC, Ruksin. Details of surgeries done at CHC Ruksin are shown in **Table 2.36**.

Table 2.36: Surgeries conducted in CHC Ruksin

Name of Hospital	Year	General	EYE	C-section deliveries
		No. of Surgeries	No. of Surgeries	No. of Surgeries
CHC Ruksin	2017-18	187	18	30
	2018-19	105	26	57
	2019-20	80	6	73
	2020-21	11	0	17
	2021-22	39	0	21

Source: Departmental records

In the sampled CHCs, No C-section deliveries could be conducted except CHC Ruksin due to lack of OT and patients had to visit higher health facilities for delivery which increased their out-of-pocket expenditure. Further, average annual surgeries performed per surgeon in the sampled CHCs during the period 2017-22 could not be analysed due to surgeries being performed in CHC, Ruksin only.

2.3.10.3 Referral of patients to higher facilities for better treatment

During 2017-22, 1,092 (5.98 *per cent*) out of 18,260 patients admitted in the sampled CHCs, were referred out as detailed in **Appendix-2.13**.

Audit observed that CHCs; Nacho, Chayangtajo, Wakro and Mebo had referred out 39.65 *per cent*, 18.97 *per cent*, 13.32 *per cent* and 12.60 *per cent* of their patients respectively. Reasons attributed by the CHCs for the referral out of patients were non-availability of facilities, absence of specialised doctors and services as mentioned in **Paragraph 2.3.2.2**.

The Department during the Exit Conference (28 February 2023) accepted the audit observation.

2.3.10.4 Emergency and Trauma Care service

IPHS norms envisage 24x7 operational emergencies with dedicated emergency room in every health facility. Further, emergency cases should be attended in OPD during OPD hours and in inpatient units afterwards. It is recommended to have a separate earmarked emergency area to be located near the entrance of hospital preferably having 4 rooms (one for doctor, one for minor OT, one for plaster/dressing) and one for patient observation (at least four beds). Emergency should have dedicated triage, resuscitation and observation

area and screens shall be available for privacy and disaster management plan should also be put in place.

It was observed that basic emergency facilities were not available in most of the CHCs. The CHCs-wise availability of the equipment/facilities in emergency room is shown in **Table 2.37**.

Table 2.37: Availability of equipment/facilities in emergency room of sampled CHCs

Equipment/Facility	Sagalee	Doimukh	C.Tajo	Sunpura	Wakro	Mebo	Ruksin	Nacho	Taliha
Mobile X-ray	No	No	No	Yes	No	No	No	No	No
Side Labs	No	No	No	Yes	No	No	No	No	No
Plaster Room	No	No	No	Yes		No	No	No	No
Emergency Beds, Duty room for Doctors/Nurses/Paramedic staff	Yes	No	No	Yes	Yes	No	Yes	Yes	No
Separate Waiting area	Yes	Yes	No	Yes	Yes	No	Yes	No	No
Pulse Oximeter	No	No	No	No	No	No	Yes	No	No
ECG	No								
Cardiac Monitor with Defibrillator	No								
Multiparameter Monitor	No								
Ventilator	No								
Stretcher, wheelchair and trolley	Yes	Yes	No	Yes	Yes	No	Yes	Yes	No
No. of equipment/facility available	3	2	0	6	3	0	4	2	0

Source: Records of sampled CHCs

It can be seen from **Table 2.37** that none of the equipment/facility for emergency service was available in Chayangtajo, Mebo and Taliha. Further, availability of equipment/facilities ranged from two to six out of eleven in the remaining CHCs.

The Department during the Exit Conference (28 February 2023) accepted the audit observations and reiterated that gap analysis of the health facilities has been conducted. It further stated that deficit in health infrastructure will be strengthened with funding from Health System Strengthening (HSS) component of NHM and from resource allocation under the 15th Finance Commission. However, the Department is yet to furnish copies of the Gap Analysis carried out by them.

2.3.11 Maternal and Child Care

2.3.11.1 Maternal Mortality Rate (MMR)

Maternal Mortality Rate (MMR), Indicator 3.1.1 under SDG-3, refers to the number of women who die from pregnancy related causes while pregnant or within 42 days of pregnancy termination per 1,00,000 live births. MMR is not calculated in the State since annual live birth figure in the State is below 1,00,000.

Target of 100 *per cent* coverage was set against the Indicator 3.1.2 (proportion of births attended by skilled health personnel). As per SDG Index for NER districts 2021-22, six³⁶ districts had less than 90 *per cent* achievement, Longding had the least at 66.71 *per cent* whereas two districts (Upper Subansiri and West Kameng,) had 100 *per cent* achievement

³⁶ Longding, Namsai, Changlang, Tirap, Tawang and Lower Subansiri

and twelve districts had above 90 per cent achievement. For five³⁷ districts, the index score was shown as Null.

More institutional births and addressing the shortfall of nurses in these low performing districts can improve the index score.

Performance of various programmes implemented for improvement of the Indicators 3.1.1 and 3.1.2 and related issues are discussed in the succeeding paragraphs:

2.3.11.2 Janani Suraksha Yojana (JSY)

Launched on 12 April 2005, JSY integrates cash assistance with antenatal care during the pregnancy period, institutional care during delivery and immediate post-partum period in a health centre by establishing a system of coordinated care by field level health worker.

The following facilities/ activities were not undertaken for the benefit of the beneficiaries as envisaged in the guidelines:

- 24x7 delivery services were not operational in five³⁸ PHCs and First Referral Unit (FRU) was not operational for seven³⁹ PHCs.
- Medical Officers of three⁴⁰ CHCs out 19 sampled health facilities prepared a panel of experts agreeing to deliver services to the JSY beneficiary where govt. specialists were not available.
- Empanelment of two accessible private health institutions by District Health Societies/ District Reproductive and Child Health (DRCH) Societies were not done in sampled districts. Process of empanelment of three⁴¹ private hospitals was in process in Papum Pare District.
- As per the Scheme guidelines, ₹500 is to be given to women delivering at home and ₹700 to women for institutional deliveries. Coverage of pregnant women during the period 2017-22 at the State level is shown in **Table 2.38**.

Table 2.38: Coverage of pregnant mothers on delivery under JSY in the State

(₹ in lakh)

Year	Number of institutional deliveries	Number of beneficiaries (institutional deliveries) covered under JSY	Percentage Coverage of institutional deliveries	Amount Paid	Number of Home deliveries	Number of beneficiaries (Home deliveries) covered under JSY	Percentage Coverage of Home deliveries	Amount Paid
2017-18	14139	14531	102.77	101.71	864	1188	137.50	5.94
2018-19	13109	12188	92.97	85.32	597	597	100.00	2.99
2019-20	15355	12020	78.28	84.14	419	136	32.46	0.68
2020-21	13083	13320	101.81	93.24	627	816	130.14	4.08
2021-22	17585	9600	54.59	67.20	848	494	58.25	2.47
Total	73271	61659	84.15	431.61	3355	3231	96.30	16.16

Source: Information furnished by State Health Society

³⁷ Kamle, Leparada, Lower Siang, Pakke Kessang and Shi Yomi

³⁸ Bulla Camp, Gusar, UPHC Pasighat, Chiputa and Chimpu

³⁹ Bameng, Bulla Camp, Medo, Gusar, Borguli, UPHC Pasighat, Chimpu

⁴⁰ CHC Nacho, CHC Taliha, CHC Sagalee

⁴¹ R K Mission Hospital, Heema Hospital, Niba Hospital

It can be seen from **Table 2.38** that during the last five years, 84.15 *per cent* of institutional deliveries and 96.30 *per cent* of home deliveries were covered in the State under JSY Scheme. During 2017-18 and 2020-21, more than 100 *per cent* coverage was due to backlog payments for institutional deliveries and home-based deliveries. Further, reason for less coverage in 2019-20 and 2021-22 was due to faulty or incomplete accounts details of beneficiaries.

Coverage of pregnant women from 2017-18 to 2021-22 in five sampled districts is shown in **Table 2.39**.

Table 2.39: Coverage of pregnant mothers on delivery under JSY in five sampled districts (during 2017-22)

(₹ in lakh)

District	Number of institutional deliveries	Number of beneficiaries covered	Percentage of Coverage	Amount paid	Amount to be paid	Difference in amount paid
A	B	C	D	E	F (CX700)	G (E-F)
East Kameng	4,065	2,665	65.56	18.66	18.66	0.00
Lohit	4,490	2,575	57.35	19.29	18.03	+1.27
Upper Subansiri	3,241	4,301	132.71	28.11	30.11	-2.00
East Siang	10,078	10,078	100.00	13.17	70.55	-57.38
Papum Pare	15,117	2,767	18.30	17.82	19.37	-1.55

Source: Information furnished by District Health Societies

As can be seen from **Table 2.39**, coverage of pregnant women for payment under JSY for institutional deliveries was less in East Kameng, Lohit and Papum Pare districts whereas higher coverage in Upper Subansiri was due to backlog cases of institutional deliveries. It is evident from **Table 2.39** that all the beneficiaries covered under JSY were not paid as per their entitlement in Upper Subansiri, East Siang and Papum Pare districts. The shortfall in the payment to beneficiaries ranged between ₹1.55 lakh to ₹57.38 lakh. Thus, the beneficiaries of JSY in these districts were deprived of their actual entitlement (*detailed in Appendix-2.14*).

It was also observed that in Arunachal Pradesh 57.09 *per cent* of pregnant women registered for ANC had institutional delivery in 2021-22. This indicated people's lack of faith in govt. health facilities as they did not complete ANC check-up in govt. health facility and migrated to private facilities for delivery (*Appendix-2.15*).

Reasons for short coverage of institutional and home deliveries were receipt of lesser number of applications from beneficiaries, non-receipt of report from health facilities, and non-availing of compulsory two ANC checkups and delivery not attended by trained ANM in case of home deliveries.

Less payments to beneficiaries were due to mismatch of beneficiaries' details with account holder name or ANC card name, defunct or invalid account numbers, insufficient funds. Incentive to JSY beneficiaries for 2021-22 was not disbursed in Lohit as remaining balance of ₹7.68 lakh was refunded to the State Health Society due to introduction of new funding system (Single Nodal Agency) and hence, the balance amount was booked and paid in the next year (*i.e.*, 2022-23) as committed liability.

More awareness programmes in rural areas, proper checking of bank account details through passbook and ANC cards along with ensured ANCs and extending institutional delivery services to all will ensure better coverage of JSY scheme.

2.3.11.3 Janani Shishu Suraksha Karyakram (JSSK)

Launched on 01 June 2011, JSSK guidelines stipulate that all expenses related to delivery in a public institution would be borne entirely by the government and no user charges would be levied. Under this initiative, a pregnant woman would be entitled to free transport from home to the government health facility, between facilities, in case she is referred on account of complications, and drop-back home after 48 hours of delivery, Entitlements would include free drugs and consumables, free diagnostics, free blood whenever required, and free diet for the duration of a woman's stay in the facility, expected to be three days in case of a normal delivery and seven in case of a caesarean section.

Audit observations due to non-providing of entitlements to the beneficiaries as per JSSK guidelines are:

1. As per National Family Health Survey (NFHS-5) data, average out-of-pocket expenditure per delivery in a public health facility increased from ₹6,473 (2015-16, NFHS-4) to ₹9,731 (2019-21, NFHS-5) in the State. High out-of-pocket expenses often act as a major barrier for the pregnant women who still deliver at home as well as for sick neonates who die on account of poor access to health facilities. In sampled CHCs and PHCs, though no user charges were levied, unavailability of facilities as discussed in succeeding sub-paras led to out-of-pocket expenses against the provision of the scheme in the State.
2. It was observed that percentage of women discharged within 48 hours in case of institutional deliveries declined from 76.13 *per cent* in 2017-18 to 60 *per cent* in 2021-22 in the State (*Appendix-2.15*). This indicates that more women availed post-delivery care at health care centres and post-partum care in State had improved. The position of institutional deliveries and number of women discharged within 48 hours in sampled health facilities is shown in **Table 2.40**.

Table 2.40: Discharge within 48 hours after delivery in sampled CHCs/ PHCs

Year	No. of delivery	No. of women discharged within 48 hours	Percentage of women discharged within 48 hours
2017-18	558	486	87.10
2018-19	706	604	85.57
2019-20	588	483	82.17
2020-21	579	524	90.53
2021-22	577	524	90.81
Total	3008	2621	87.13

Source: Records of sampled CHCs and PHCs

As can be seen from **Table 2.40**, 87.13 *per cent* of women were discharged within 48 hours of delivery during 2017-18 to 2021-22. Families of pregnant women may be encouraged to get them discharged after 48 hours of delivery for better post-partum care.

3. Percentage of pregnant women availing free medicines increased from 40 *per cent* in 2017-18 to 57 *per cent* in 2021-22. However, the coverage was still very low. Further, during physical verification, non-availability of several essential drugs (*e.g.* Inj Oxytocin and Anti D Immunoglobulin – Inj. Polyclonal Human Anti RhD immunoglobulin 100 mg, 300 mg) was observed in the sampled health facilities.
4. Percentage of pregnant women provided free diagnostics increased from 43 *per cent* in 2017-18 to 59 *per cent* in 2021-22 (**HMIS data**), which still was low. Lack of ultrasound and several diagnostic tests was noticed in sampled health facilities except three CHCs (Wakro, Sagalee, and Mebo). This compelled pregnant women to visit District Hospitals or private health facilities thereby increasing out-of-pocket expenses.
5. It was observed that percentage of pregnant women availing free diet facility increased from 59 *per cent* in 2017-18 to 77 *per cent* in 2021-22 (**HMIS data**). Free diet services could not be provided in any of the sampled health facilities due to lack of dietary service. Dietary arrangements were made by the families of the pregnant women.
6. Free transport facility was provided to 30 *per cent* of pregnant women in the State during the period due to lack of ambulance in health care centres. Eight out of nineteen sampled health facilities did not have ambulance (**Paragraph 2.3.18**). In absence of ambulance service, transportation was managed by the patients' family.
7. Blood-Storage facility was not available in any of the sampled CHCs except Ruksin. This can endanger the lives of pregnant women at the time of delivery. Due to lack of such facility, pregnant women from rural areas visited District Hospitals before delivery and stayed there till delivery. It ultimately increased out-of-pocket expenditure of the patients' families.

2.3.11.4 Antenatal Care

Lack of proper Antenatal Care (ANCs) and anaemia were major causes of maternal deaths and still-births. Timely registration for ANCs, completion of four ANCs, proper immunisation, and providing IFA and Calcium tablets during pregnancy are key to maternal and child health. Coverage of these services in sampled health facilities are shown in **Table 2.41**.

Table 2.41: Coverage of ANC services in sampled CHCs/ PHCs

Maternity Services	2017-18	2018-19	2019-20	2020-21	2021-22	Total	Percentage Coverage
Total No. of Pregnant Women registered for ANC	1912	1759	1732	1647	1548	8598	-
Out of the total ANC registered, No. registered within 1 st trimester (within 12 weeks)	866	898	884	820	764	4232	49.22
No. of PW given TT1/ Td1	1074	1229	1119	1244	1199	5865	68.21
No. of PW given TT2/ Td2	825	942	878	989	935	4569	53.14

Maternity Services	2017-18	2018-19	2019-20	2020-21	2021-22	Total	Percentage Coverage
No. of PW given TT Booster/ Td Booster	268	222	228	252	285	1255	14.60
No. of PW provided full course 180 Iron Folic Acid (IFA) tablets	756	949	968	1171	733	4577	53.23
No. of PW provided full course 360 Calcium tablets	539	691	606	607	585	3028	35.22
No. of PW given one Albendazole tablet after 1st trimester	367	345	289	250	307	1558	18.12
No. of PW received four or more ANC check ups	480	631	612	696	447	2866	33.33

Source: Sample Health Facilities' Departmental records

As per the available records in CHCs and PHCs, 8,598 pregnant women were registered for ANCs. Out of these, 49.22 *per cent* women were registered within 1st trimester (within 12 weeks).

Further, 33.33 *per cent* of registered women availed four ANC check-ups and 53.23 *per cent* women were provided full course of 180 Iron Folic Acid (IFA) tablets.

2.3.11.5 Management of Still Births

As per the National Family Health Survey-5⁴² (NFHS-5), the rate of stillbirths in India is 0.90 *per cent* of live births. The trend of stillbirths in Arunachal Pradesh is shown in **Table 2.42**.

Table 2.42: Number and rate of stillbirths in the State

Year	2017-18	2018-19	2019-20	2020-21	2021-22
Total number of deliveries	18852	18872	20832	20026	20402
Number of stillbirths	216	252	250	231	290
Percentage of stillbirth with reference to deliveries	1.15	1.34	1.20	1.15	1.42

Source: HMIS data

It can be seen from **Table 2.42** that the rate of stillbirths during 2017-22 in the State ranged from 1.15 to 1.42 *per cent* which was higher than the national average of 0.90 *per cent*.

Out of 3,008 births recorded in sampled CHCs and PHCs during 2017-18 to 2021-22, three cases of stillbirth were reported in PHC Medo (two in 2019-20 and one in 2020-21) and one case was reported in CHC Nacho in 2020-21.

The Department during the Exit Conference (28 February 2023) stated that it was aware of the issues and added that it was partly due to the fact that the places of delivery in some cases were different from the place of ANC registration. However, corrective measures will be taken to reconcile the difference by improving tracking of patients. The Department also explained that the national target of MMR is not applicable to Arunachal Pradesh due to less than one lakh births in a year in the State.

⁴² National Family Health Survey-5 data

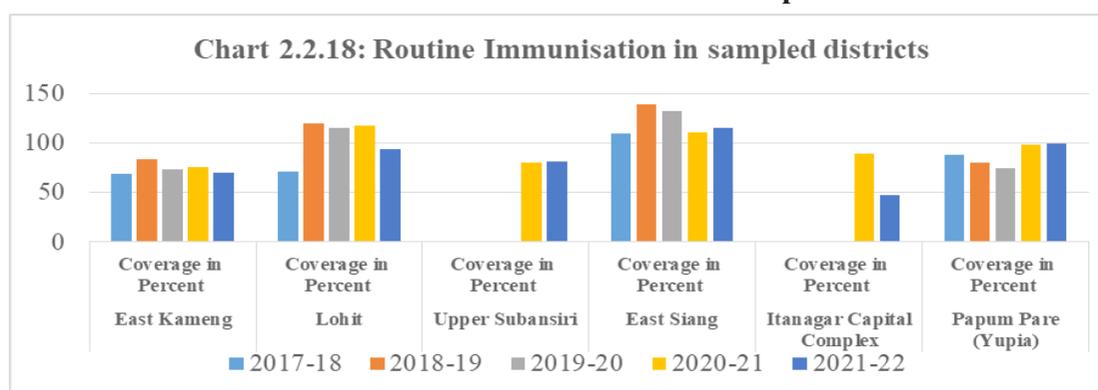
2.3.11.6 Care of Sick New-born children

For operationalisation and infrastructure development of facilities for sick new-born children under NHM, ₹32.54 crore was approved for NBSU (New Born Stabilisation Unit) and NBCC (New Born Care Centre) during 2017-22. Audit observed that equipment like radiant warmer, resuscitator, and laryngoscope set *etc.* and consumables like oxygen cylinder, extractor, sterile gloves *etc.* for new-born childcare were not available as per IPHS norms in sampled PHCs and CHCs. It was further observed that out of 10 sampled PHCs, delivery of pregnant women was not conducted in Bulla Camp, Baririjo, Gusar, Pasighat, Chiputa and Chimpu.

2.3.11.7 Immunisation

Target of 90 *per cent* immunisation by 2018 as set by Mission Indradhanush was not achieved by the State. Coverage under Routine Immunisation against the year-wise targets in sampled districts is shown in **Chart 2.16**.

Chart 2.16: Routine Immunisation in Sampled Districts



Source: Information furnished by District Health Societies⁴³

As shown in **Chart 2.16**, East Siang was the only district to consistently achieve the target of 90 *per cent* immunization over a span of five years.

During physical verification of the sampled health facilities (PHCs/ CHCs), the following were observed:

- (a) In PHC Bameng, freezer did not have power backup due to which effective storage of vaccines was not possible.
- (b) In PHC Bulla Camp, East Kameng District, no freezer or ice boxes were available. Thus, routine immunisation was conducted for children on selected days only by bringing vaccines from DH, Seppa.

The Department during the Exit Conference (28 February 2023) stated that it has taken note of the issue and necessary actions will be taken to address the same. Further, Infant Mortality in the State has reduced from 22.9 (NFHS-4) to 12.9 (NFHS-5).

⁴³ For Upper Subansiri, data available for two years only. For Capital Complex, data available after establishment

2.3.12 Management of drugs

2.3.12.1 Drug storage

The Drugs and Cosmetic Rules, 1945, stipulate parameters for the storage of drugs in stores to maintain the efficacy of the procured drugs before issue to patients. Audit during joint physical verification observed that the norms and parameters prescribed in the said Rules were not adhered to in the sampled health facilities as detailed in **Appendix-2.16**.

Due to deficiencies noticed in the system of drug storage in the sampled health facilities; the efficacy of drugs distributed to the patients could not be assured. Photographs taken of medical storage during JPV are shown below:



The Department during the Exit Conference (28 February 2023) stated that it was aware of the issues and necessary corrective measures will be taken to address the same.

2.3.13 Conclusion

Sampled CHCs had shortage of doctors except CHC Doimukh and CHC Ruksin. Excess doctors were posted in five sampled PHCs. All sampled CHCs had shortage of nurses and paramedics whereas five PHCs had excess nurses and paramedics. Lack of specialists, diagnostic services, OT and blood storage facilities, OPD and IPD services forced the patients to move to DHs or private facilities incurring out-of-pocket expenditure. Shortfall in availability of facilities as per JSY and JSSK guidelines and ANC coverage (33.33 per cent) was noticed in sampled districts. All nine sampled CHCs lacked necessary equipment in emergency and trauma care. PHC Bulla Camp and PHC Bameng did not have freezer and power backup to store vaccines and children had to depend on DH for routine immunisation.

2.3.14 Recommendations

The Department may-

- *consider to take steps to fill the vacancy and rationalise availability of doctors and other cadre across all health facilities in the State.*
- *facilitate the availability of specialists, diagnostic services, and equipment to all health facilities for providing OPD and IPD services as per IPHS norms.*
- *provide OT and blood storage facilities in the CHCs to reduce the pressure on the District and State Level Hospitals and to mitigate the problems of travelling longer distances and incurring out of pocket expenses.*

- *instruct the health facilities to check bank account details and ANC cards to extend benefits under JSY for promoting institutional deliveries.*

Audit objective 2: Whether support services in the health care facilities are available and adequate?

2.3.15 Support Services

As per Assessors Guidebook for CHCs, the operational activities of a health facility comprise a wide variety of support services viz. management of linens, dietary management, ambulance service, sweeping and cleaning service, hospital security service, etc. Further, there should be Standard Operating Procedures (SOPs) for infection control, a Hospital Infection Control Committee (HICC) and infection control practices through pest and rodent control.

- Dietary service was not available in any of the sampled CHCs except Sagalee and Wakro. It was observed that FSSAI registration certificate issued under Food Safety and Standards Act, 2006 was not available in any of the two CHCs having dietary service. Further, there was no system to check the quality of food served to patients. Thus, the IPD patients of the remaining seven CHCs were deprived of nutritious and hygienic food in course of their treatment and were dependent on their own arrangements.
- Laundry services were not available in any of the sampled CHCs except at CHCs in Sagalee, Wakro and Ruksin. However, CHCs in Sagalee, Wakro and Ruksin did not maintain any records pertaining to segregation and disinfection of soiled laundry.
- SOPs for infection control were not available in any of the health centers. HICC was formed only in four⁴⁴ sampled health centers and only two⁴⁵ health centers had conducted pest and rodent control measures out of the total 19 PHCs/ CHCs checked. Thus, a safe and hygienic environment could not be ensured in absence of HICC in the remaining health facilities.

The Department during the Exit Conference (28 February 2023) stated that it was aware of the issues and necessary corrective measures will be taken to address the same.

2.3.16 Patient safety

2.3.16.1 Disaster management capability of hospitals

National Building Code of India 2016, Part 4, Fire and Life Safety required that fire extinguishers must be installed in every hospital so that safety of the patients/ attendants/ visitors and the hospital staff may be ensured in case of any fire in the hospital premises.

- None of the health facilities had obtained safety clearance from the Fire Department. It was observed that Disaster Management Plan was not formulated for patient safety in 14⁴⁶ out of 19 facilities.

⁴⁴ Doimukh, Loiliang, Wakro and Ruksin

⁴⁵ Ruksin and Taliha

⁴⁶ CHCs- Sunpura, Wakro, Nacho, Taliha, Ruksin, Mebo & PHCs- Bameng, Bulla Camp, Loiliang, Medo, Baririjo, Gusar, Borguli, Pasighat (Baskota)

- Provision for fire detection alarm/smoke detector/Fire hydrant/Sand bucket was not available in any of the sampled facilities. Fire extinguishers were also not available in 10⁴⁷ out of 19 sampled facilities.
- Disaster management committee was also not constituted in 13⁴⁸ out of 19 sampled facilities. Planning for fire prevention was also not available in 15 facilities⁴⁹.
- Grievance Redressal Mechanism was also not available in any of the sampled health facilities. The complaint box was not found in any of the sampled facilities.

Due to non-availability of SOP for patients' safety and Grievance Redressal Mechanism, patients' safety and Grievance could not be effectively taken care of.

The Department during the Exit Conference (28 February 2023) accepted the audit observation.

2.3.17 Bio-Medical Waste management

Bio-medical waste (BM waste) is generated during procedures related to diagnosis, treatment and immunisation in the hospitals and its management is an integral part of infection control within the hospital premises. The GoI framed Bio-Medical Waste (Management and Handling) Rules, 1998 under Environment (Protection) Act, 1986, which were superseded by Bio-Medical Waste Management Rules, 2016 (BMW Rules).

Test check of 19 Health Facilities in the state revealed the following non-compliance to the BMW Rules:

Ten⁵⁰ out of the 19 sampled health facilities did not obtain authorisation for handling BMW from the State Pollution Control Board (SPCB) as required under BMW Rules.

1. As per BMW Rules, the category-wise quantity of BM wastes generated and their disposal were to be forwarded to SPCB in a prescribed format annually. However, it was observed that only five⁵¹ out of 19 health facilities were submitting annual reports to SPCB.
2. None of the PHCs/ CHCs had the facility to upload monthly and annual records on their website.
3. Segregation of BMW was done only in nine⁵² out of 19 health centres in compliance to BMW Rules.
4. Bar- Code System was not established in any of the health facilities for bags or containers containing bio-medical waste to be sent out of the premises.
5. Only three CHCs- Sagalee, Doimukh and Wakro out of 19 sampled health centres had prepared action plan for hospital waste management during the period 2017-22.

⁴⁷ CHCs- Chayang Tajo, Nacho, Taliha & PHCs- Bameng, Bulla Camp, Loiliang, Medo, Baririjo, Gusar, Pasighat (Baskota)

⁴⁸ CHCs- Chayang Tajo, Sunpura, Wakro, Nacho, Taliha, Mebo & PHCs- Bameng, Bulla Camp, Loiliang, Medo, Baririjo, Gusar, Pasighat (Baskota)

⁴⁹ CHCs- Chayang Tajo, Sunpura, Wakro, Nacho, Taliha, Ruksin, Doimukh & PHCs- Bameng, Bulla Camp, Loiliang, Medo, Baririjo, Gusar, Pasighat (Baskota), Chiputa

⁵⁰ PHCs- Loiliang, Baririjo, Gusar, Pasighat & Borguli. CHCs- Wakro, Nacho, Taliha, Ruksin & Mebo.

⁵¹ CHCs- Ruksin, Doimukh, Sagalee & PHCs- Bameng, Medo

⁵² PHCs- Chimpu, Loiliang, Pasighat & Borguli. CHCs- Doimukh, Wakro, Mebo, Ruksin & Taliha.

6. As per BMW Rules, Common Bio-Medical Waste Treatment Facilitator (CBMWTF) is responsible for collection and proper disposal of BM waste from the hospitals. Audit however observed that there was no facility of CBMWTF in any of the sampled CHCs/PHCs.
7. Sampled facilities did not have adequate BMW treatment plants such as incinerator, autoclave, shredder and Effluent Treatment Plant (ETP) and it was found during JPV that wastes were not properly disposed of as per standards set under BMW Rules. Photographs taken at UPHC, Baskota, Pasighat and CHC Mebo are given below:



8. As per BMW Rules, 2016 it is the duty of the occupier to immunize all its health care workers and others involved in handling of bio-medical waste for protection against diseases including Hepatitis B and Tetanus. Out of 19, five health facilities⁵³ had not immunised their health workers with Tetanus vaccine. Moreover, immunisation against Hepatitis B was not administered by any of the health facilities.
9. Training was not provided to health workers involved in handling of bio medical waste by any of the sampled health facilities except CHCs, Sagalee and Wakro.

The Department during the Exit Conference (28 February 2023) stated that it was aware of the issues and necessary corrective measures will be taken to address the same. It was also added that DPR for the establishment of one CBMWTF at Toru in Papum Pare has been submitted to the State Government.

The Department in its reply (02 March 2023) stated that necessary corrective measures and compliance have been initiated against the audit observations.

2.3.18 Ambulance Service

As per Assessor's Guidebook for PHCs/CHCs; there should be round the clock availability of three running ambulances with well-equipped Basic Life Support (BLS) and it is desirable to have one Advanced Life Support (ALS) ambulance in PHCs/CHCs. The norms also required serviceability and availability of equipment, essential drugs and oxygen cylinder in ambulances on a daily basis. Besides, ambulances should run with fitness, insurance and pollution certificates.

Audit observed that eight⁵⁴ out of 19 health facilities did not have ambulances to provide services to the patients in case of emergencies. The remaining health centres had only one ambulance without BLS except CHC, Ruksin which had one ambulance with BLS and

⁵³ PHCs- Bula Camp, Medo, Pasighat & Gusar. CHC- Doimukh

⁵⁴ PHCs- Chiputa, Chimpu, Bula Camp, Loiliang, Pasighat, Baririjo & Gusar and CHC, Taliha

two without BLS. None of the sampled PHCs/ CHCs had Advanced Life Support (ALS) ambulances in their centres. It was also observed that 07 out of 11 health facilities had ambulances with equipment and essential drugs and five were running without oxygen cylinders. Further, 05 health facilities had ambulances whose insurance certificates had expired and 06⁵⁵ had ambulances running without fitness and pollution certificates.

Ambulances running without BLS are shown in following pictorial evidence, which was taken during JPV.



2.3.18.1 108 Ambulance Services

Under the National Health Mission (NHM), technical and financial support is provided to States/ UTs to strengthen their healthcare systems including support for ambulance services including Dial-108, Basic Life Support (BLS) ambulances. Dial 108 is predominantly an emergency response system, primarily designed to attend to patients of critical care, trauma and accident victims *etc.*

Administrative approval and expenditure sanction of ₹24 crore was accorded for Dial 108 service by GoI under NHM for 2020-21. However, Dial 108 service was launched during 2021-22 (21 June 2021) on PPP model with 90 Basic Life Support ambulances in the State. Out of ₹36.96 crore of the allotted amount during 2020-22, only ₹13.35 crore was incurred on implementation of the Scheme. It was stated that fund allotment of ₹24 crore in 2020-21 could not be utilised since the Scheme was launched in 2021-22. The Scheme covered TRIHMS, 21 DHs/ GHs (out of 22), 41 CHCs (out of 53) and 25 PHCs/UPHCs (out of 141). Out of 19 sampled health facilities, eight CHCs (Chayangtajo, Ruksin, Mebo, Wakro, Doimukh, Sagalee, Nacho and Taliha) and two PHCs (Bameng, and Chimpu) were selected under Dial 108 service. However, during joint physical verification of CHCs and PHCs, it was observed that BLS ambulance service was not available at Chayangtajo, Nacho, Taliha and Chimpu. It may be mentioned here that during the period 2017-2022, 325 patients of the above mentioned four CHC/ PHC were referred to the District Hospitals for emergency treatment. Thus, all 325 emergency referral cases of the four CHCs/ PHCs were deprived of the Dial 108 service during the period 2017-22.

The Department during the Exit Conference (28 February 2023) stated that 30 new Ambulances (under 108 Ambulance Service) have been added to the available fleet of 90 which is expected to improve Ambulance Services in the State.

⁵⁵ PHCs- Bameng CHCs- Sagalee, Doimukh, Sunpura, Ruksin & Nacho

2.3.19 Conclusion

Hospital support services, viz. ambulance, dietary service, laundry, and linen service, etc. were largely unavailable in most of the sampled health facilities. Eight out of nineteen health facilities did not have ambulances to provide services to the patients in case of emergencies. Food Safety and Standards Authority of India (FSSAI) registration certificate was not obtained by any of the two sampled health facilities where dietary service was available. Health care facilities were running without any safety clearance from the Fire Department and posing a major fire threat to the patients. Hospital Infection Control Committee (HICC) was found to have been formed in only four out of the 19 sampled health centres and did not deliver any specific road map and plan to control hospital infection. Sampled Health Facilities were found not adhering to the Bio Medical Waste Management Rules, 2016.

2.3.20 Recommendations

The Department may:

- i. direct all health facilities to ensure that the Hospital support services like ambulance, linen, laundry, diet services are available in accordance with standard operational guidelines.*
- ii. ensure the formation of HICC in each health facility and monitoring of their activities.*
- iii. instruct all health facilities to ensure immunisation of health workers dealing with hazardous waste.*

Audit objective 3: Whether assets created for Emergency related services were utilised efficiently?

2.3.21 Utilisation of Assets

Total pandemic affected cases in the State were 66,891 and there were 296 deaths (as on March 2023).

2.3.21.1 Funds and Utilisation

The status of receipts of funds and expenditure to deal with the pandemic situation in the State during 2019-2022 is shown in **Table 2.43**.

Table 2.43: Receipts and Expenditure of COVID Funds

(₹ in crore)						
Financial Year	Name of the Component	Central Share	State Share	Total Funds	Expenditure	Balance
2019-20	ECRP ⁵⁶	12.90	0.99	13.89	4.16	9.73
	DHS-MMRKK ⁵⁷	0	5.65	5.65	5.65	0
Sub-Total		12.90	6.64	19.54	9.81	9.73
2020-21	SDRF ⁵⁸ -DHS	0	0.83	0.83	0.83	0
	DHS-MMRKK	0	8.35	8.35	8.35	0
	PM CARES	1.98	0	1.98	1.98	0

⁵⁶ ECRP-Emergency Covid Response Plan Fund

⁵⁷ MMRKK- Mukhyamantri Rogi Kalyan Kosh

⁵⁸ SDRF- State Disaster Response Fund

Financial Year	Name of the Component	Central Share	State Share	Total Funds	Expenditure	Balance
2020-21	ECRP	22.89	0	22.89	27.05	(-)4.16
	NEC ⁵⁹ Funds	3.25	0	3.25	3.25	0
	MLALAD ⁶⁰	0	0.94	0.94	0.94	0
Sub-Total		28.12	10.12	38.24	42.40	(-)4.16
2021-22	SDRF-DHS	0	17.57	17.57	17.57	0
	DHS-DMOs	0	17.72	17.72	17.72	0
	DHS-MMRKK	0	3.97	3.97	3.97	0
	SDRF-DCs ⁶¹	0	19.28	19.28	19.28	0
	SDRF-TRIHMS	0	29.15	29.15	29.15	0
	DHS-TRIHMS	0	32.92	32.92	32.92	0
	DHS-DoP ⁶²	0	6.67	6.67	6.67	0
	ECRP-I	22.27	0	22.27	29.01	(-)6.74
	ECRP-II	149.13	16.56	165.69	80.52	85.17
	NESIDS ⁶³	20.67	0	20.67	20.67	0
Sub-Total		192.07	143.84	335.91	257.48	78.43
Grand Total		233.09	160.60	393.69	309.69	84.00

Source: Departmental records, bills and vouchers

During 2019-22, ₹393.69 crore was available with the State for COVID management. Out of which, ₹309.69 crore was utilised and ₹84 crore was remaining (March 2023) with the State Government.

The funds were mainly utilised for medicines, surgical masks, aprons, body bags, face shield covers, N-95 masks, oxygen face masks for adults and paediatrics, PPE Kits, pulse oximeters, oxygen concentrators, ventilators, diet for the patients, patients' transportation, preparing the District Hospitals for COVID-19 etc. Detailed position is given in **Appendix-2.17**.

Apart from the above, the State received 26 Oxygen Plants from PM CARES fund, one from Oil India Limited (OIL), five from UNICEF, three from UNDP and one from Canada as assistance in kind to deal with the COVID-19 situation in the State. Audit observations pertaining to funding for COVID-19 management are given in the succeeding Paragraphs:

2.3.21.2 Funding under Emergency Covid Response Plan Fund

To support preparedness and prevention related functions of the States, GoI launched COVID-19 Emergency Response and Health System Preparedness Financial Package (referred as COVID-19 Package) from the financial year 2019-20 which was intended to build resilient health systems. The Emergency Covid Response Plan II (ECRP II) funds, during 2020-2022 were mainly sanctioned for ramping up health infrastructure with the focus on Paediatric care units. Out of total sanctioned amount of ₹165.69 crore under ECRP-II, ₹146.11 crore was allotted for improvement of health infrastructure and ₹85.75 crore⁶⁴

⁵⁹ NEC-North East Council

⁶⁰ MLALAD- MLA Local Area Development Fund

⁶¹ DCs- Deputy Commissioners

⁶² DoP- Department of Power

⁶³ NESIDS-North East Special Infrastructure Development Scheme

⁶⁴ ECRP-I and ECRP-II funds were lying in the bank account of NHM

remained unspent (as of February 2023). Despite availability of funds, progress of works was slow which resulted in slow pace of expenditure.

The Department during the Exit Conference (28 February 2023) stated that the GoI gave extension to utilise the remaining balance under ECRP II for FY 2021-22 till April 2023. However, the Department could not provide documents showing fund utilisation till April 2023 to Audit.

2.3.21.3 Funding under NESIDS

The Ministry of Development of North Eastern Region (DoNER), GoI through North East Special Infrastructure Development Scheme (NESIDS) released ₹20.67 crore (being the 1st installment of ₹48.98 crore) on 28 May 2020 for procurement of hospital equipment to prepare 10 district hospitals⁶⁵ to fight COVID-19. However, the GoAP did not submit Utilisation Certificates (UCs) for ₹20.67 crore within the stipulated six months. Due to this, the GoI did not release the balance share of ₹28.31 crore. Further, the GoAP also did not release its share of ₹4.04 crore.

The Department in its reply (September 2022) stated that UCs have now been submitted to GoI and the remaining amounts of GoI's share and State share are under process of release. Further, the Department during the Exit Conference (28 February 2023) stated that it was aware of the issue and added that necessary steps will be taken to timely submit UCs in future. The Department in its reply (24 March 2023) also stated that submission of UCs was delayed due to process involved in the procurement procedures at various stages by observing laid down codal formalities to obtain a proper vendor rate for each of the items.

2.3.21.4 Verification of Assets Created

The issues related to post-COVID utilisation/ usage of the infrastructure created and the equipment/ kits provisioned during the pandemic require a thorough administrative planning, assessment of gaps in the hospital infrastructure and equipment and dedicated effort to bridge the gap with the additional infrastructure and equipment like ICU beds, ICU machines, Oxygen Concentrators *etc.* created to deal with the situation in the State. Utilisation of assets purchased was examined by audit to ascertain the status of utilisation of infrastructure created and equipment (ventilators, ICU beds and ICU machines/ monitors, Oxygen Plants, Oxygen Concentrators *etc.*) procured, installed during the pandemic for meeting emergencies in future. The DCHCs in East Kameng, Lohit, Upper Subansiri and DCH in East Siang were co-located with the district hospitals whereas DCHC, Midpu and DCH, Chimpu (Itanagar) were situated in separate locations.

Audit noticed that invasive ICU ventilators, ABG machines, defibrillators, ELISHA machine Multipara Monitor, Oxygen Concentrator, ICU beds *etc.* and consumables like N-95 Mask, Protective Gown, Oxygen Mask, Gloves *etc.* were lying idle in the central and six district medical stores and in the sampled health facilities. Assessment was not done to identify the gaps in the hospital infrastructure and effectively plan for utilisation of available additional infrastructure and equipment like ICU beds, ICU machines, Oxygen Concentrators due to which the available infrastructure was lying idle without being utilised in the health care facilities which were in need of the same. However, efforts for optimum utilisation of the

⁶⁵ Tawang, Bomdila, Ziro, Aalo, Tezu, Namsai, Changlang, Khonsa, Seppa and Yingkiang

COVID infrastructure were neither considered by the Directorate at the State level nor by the district level authorities. The facility-wise value of idle items as noticed in audit is shown in **Table 2.44**.

Table 2.44: Idle items in health facilities

(₹ in crore)		
Name of the Facility	Major Equipment and Hospital Items	Consumables
Central Medical Store	3.26	15.17
District Medical Store	0.92	0.58
DCHCs/DCHs	19.08	1.63
PHCs/CHCs	-	0.25
Total	23.26	17.30

Source: Joint Physical Verification

The Department during the Exit Conference (28 February 2023) stated that the matter of idle stock will be looked into, and the status will be intimated accordingly. The Department in its reply (24 March 2023) stated that various equipment, logistic items and medicines were distributed to various districts and efforts were made to provide maximum items of COVID-19 available in the Central Medical Store. Accordingly, maximum equipment, logistic items and medicines were issued to the districts. It was also added that as the COVID-19 cases declined, the indents coming from the districts also declined. However, it remains a fact that COVID-19 items worth ₹12.80 crore (equipment and hospital items- ₹2.48 crore, consumables- ₹10.32 crore) were still lying idle at the Central Medical Store as on 02 March 2023. The fact, however, remains that equipment and hospital items of ₹22.48 crore and consumables of ₹12.45 crore were still lying idle as of March 2023. Status of verification of assets in sampled DCHCs and DCHs is given in the succeeding Paragraphs:

2.3.21.5 Verification of Oxygen Plants and COVID Wards

The Government of Arunachal Pradesh received 36 Pressure Swing Adsorption (PSA)/oxygen plants in kind from the PM CARES fund (26), Oil India Limited (01), UNICEF (05), UNDP (03) and Canada (01) during 2021-22. Besides, five PSA plants from NESIDS fund, one PSA plant and one LMO plant from State Budget and one PSA plant from NHM fund were also procured. The PSA plants were installed in TRIHMS (03 units), DCH, Chimpu (01 unit), 22 DHs/GHs (31 units) and seven CHCs (08 units). The LMP oxygen plant was installed at TRIHMS, Naharlagun. Audit verification (during July to September 2022) of oxygen plants and COVID-19 Wards in four DCHCs, two DCHs and TRIHMS in the sampled districts revealed the status of oxygen plants and COVID-19 Wards in the respective health facilities as shown in **Table 2.45**.

Table 2.45: Status of verification of Oxygen Plants and COVID Wards

Sl. No.	Health Facility	Audit findings
1.	DCHC, Seppa	<ul style="list-style-type: none"> ➤ The PSA System remained non-functional since March 2022 due to malfunctioning of one of two compressors and oxygen purity sensor. The matter was reported on the portal of the GoI by the Medical Superintendent (MS). However, it was yet to be resolved till date of audit (07 July 2022). ➤ 40 bedded DCHC was not operational since 07 October 2021 as no patients were admitted. It was stated by the MS that the facility would be converted into Maternity & Child Health (MCH) Ward for fruitful utilisation of the COVID infrastructure.

Sl. No.	Health Facility	Audit findings
2.	DCHC, Tezu	<ul style="list-style-type: none"> ➤ The PSA System remained non-functional due to non-availability of transformer of the requisite capacity since 07 October 2021. Due to delay in release of fund by the DHS for providing transformers and power supply to PSA plants in District Hospitals and CHCs, transformer in the district hospital could not be installed on time. The plant remained non-functional since 07 October 2021 as patients in other wards were provided with the purchased Oxygen Cylinders. ➤ Only one COVID-19 patient was undergoing treatment in the 16 bedded DCHC at the time of verification. Thus, in spite of very less number of COVID-19 patient load, the hospital authorities did not have any specific plans for utilisation of surplus COVID-19 infrastructure.
3.	DCHC, Daporijo	<ul style="list-style-type: none"> ➤ There were five isolation beds each for male and female COVID-19 wards. The beds in Male Ward were found burnt reportedly due to fire caused by short circuit. It was stated by the MS that only two patients were admitted from 23 August 2021 to till date of audit (September 2022) and they were discharged on the same day. The hospital authorities could have planned for utilisation of surplus COVID infrastructure despite no. of COVID-19 patients being on the decreasing trend.
4.	DCH, Pasighat	<ul style="list-style-type: none"> ➤ 50 bedded (General-46 and ICU-4) Dedicated COVID-19 Hospital (DCH), Pasighat functioning in the campus of North East Institute of Folk Medicine (NEIFM), Pasighat from 04 April 2020 till 14 December 2021 was shifted to AYUSH building of the Bakin Pertin General Hospital (BPGH), Pasighat in December 2021. However, the PSA System installed in the campus of NEIFM was not shifted and was lying idle there till date of audit (September 2022). The DCH at its new location was not operational since 18 December 2021 till date of audit as no patients were admitted. However, no steps were taken to utilise the available COVID-19 infrastructure for other medical purposes.
5.	DCH, Chimpu	<ul style="list-style-type: none"> ➤ 210-bedded (General-186, ICU-10 and HDU-14) Dedicated COVID Hospital (DCH), Chimpu was set up at the cost of ₹23.37 crore on 13 August 2020. It was observed that only 18 patients were admitted during March to September 2022. However, efforts were not taken to utilise the surplus infrastructure for other medical purposes despite sharp decline in number of COVID-19 cases. It was stated by the MS that sporadic COVID-19 positive symptomatic cases were being admitted at DCH Chimpu and the State Government instructed to continue the services of DCH in anticipation of flaring up of COVID-19 cases. The reply of the Department had to be seen in light of the fact that COVID-19 positive cases in the State were declining downwards.
6.	DCHC, Midpu	<ul style="list-style-type: none"> ➤ 20-bedded (General-18 and HDU-2) Dedicated COVID Care Health Centre (DCHC), Midpu was set up in seven pre-fabricated containers on 07 August 2020 at the cost of ₹3.45 crore. The DCHC was not operational since 20 September 2021 as no patients were admitted. It was stated by the Nodal Officer that DCHC was not operational mainly due to home isolation protocol of COVID positive cases. However, the matter was not taken up with the Directorate of Health Services for efficient utilisation of the resources available at the DCHC.

Source: Joint Physical verification data and reply furnished by the health facilities

The status of oxygen plants and COVID Wards in the sampled districts is shown in the following photographs, which had been taken during Joint Physical Verification (07 July 2022):

	
<p>Idle oxygen beds at DCHC, Seppa</p>	<p>Non-functional PSA Plant at DCHC, Seppa.</p>
	
<p>Burnt Male COVID Beds at DCHC, Daporijo</p>	<p>Idle HDU beds at DCHC, Midpu</p>

2.3.21.6 Verification of ICU Wards

ICU services were not available in any of the DHs till 2018-19 as reported in the Performance Audit Report of Select District Hospitals in Arunachal Pradesh for the period 2014-15 to 2018-19. Audit observed that ICU equipment and machineries were provided in all sampled DHs during the period 2019-20 to 2021-22 for dealing with the pandemic. However, ICU facility was not set up in DH, Daporijo despite availability of infrastructure.

Further, during Joint Physical Verification (07 July 2022), it was noticed that ICU beds were kept idle at DHs Seppa (five beds) and Tezu (four beds) as depicted in the photograph below:

	
<p>Two ICU devices were found to be uninstalled at DH, Seppa</p>	<p>Ventilators and ICU beds were found lying idle at ZGHT, Tezu</p>

Medical Superintendents of DHs, Tezu and Seppa stated that non-COVID patients were transferred to other tertiary health care centres since the ICU beds were reserved for COVID-19 patients only. Since, there were no other ICU beds available for non-COVID-19 patients; keeping ICU beds reserved for COVID-19 patients rendered them idle. Similarly,

five ICU beds were also kept idle at BPGH, Pasighat due to non-availability of trained manpower. However, it was observed that demand for providing manpower was not placed to the Directorate of Health Services, GoAP by BPGH, Pasighat despite availability of requisite infrastructure. Thus, ICU services were not provided to the patients in any of the sampled DHs except at TRIHMS despite the availability of ICU infrastructure due to reservation of ICU beds for COVID-19 patients only.

The Department during the Exit Conference (28 February 2023) accepted the audit observation and added that recruitment process for appointment of nursing staff has been initiated and functioning of ICUs in District Hospitals (DHs) will be ensured with appointment of nursing staff.

2.3.21.7 Verification of Oxygen Plants and Equipment Procured under NESIDS

Out of the ten District Hospitals mentioned in **Paragraph 2.3.21.3**, two DHs at Tezu and Seppa were part of the sampled districts. It was observed from records that various equipment worth ₹4.37 crore were provided to DH, Seppa (₹2.18 crore) and DH Tezu (₹2.19 crore) under NESIDS. Besides the equipment, ₹1.62 crore was incurred on procurement, installation, and commissioning of PSA Oxygen Plant at DHs Seppa and Tezu. Status of verification of PSA Plants and equipment in DHs, Seppa and Tezu is shown in **Table 2.46**.

Table 2.46: Status of verification of PSA Plants and Equipment in DHs, Seppa and Tezu

Sl. No.	Health Facility	Audit findings
1.	DH, Seppa	Refilling Meter had started malfunctioning immediately after installation of the PSA System on March 2021. One of two compressors was also not working since March 2022.
2.	DH, Tezu	Both the compressors of the PSA oxygen plant were not working due to non-maintenance of the compressors since April 2022. It was also observed that 95 equipment worth ₹56.85 lakh were lying idle. Some of the equipment were kept in open space. It may damage them beyond repair and the chances of being stolen also cannot be ruled out.

Source: Joint Physical verification data and reply furnished by the health facilities

The equipment kept idle at DH, Tezu is shown in the following photographs, which had been taken during Joint Physical Verification (27 July 2022).



The malfunctioning of the compressors and the Refilling Meter coupled with absence of uninterrupted power supply was rendering oxygen plants unfruitful. Corrective measures were yet to be taken by the Directorate despite intimation of malfunctioning of the PSA Plants. Thus, non-functioning of the Oxygen Plants indicated that maintenance of the Plants was not carried out by the vendor despite contractual obligations which defeated the purpose of preparing the DHs for fight against the COVID-19 pandemic.

The Department during the Exit Conference (28 February 2023) accepted the audit observation and stated that the equipment procured under NESIDS will be utilised once the construction of the 60 bedded hospital building under construction at Tezu gets completed in April 2023. The Department further confirmed that the two PSA oxygen plants have now started functioning after maintenance.

2.3.22 Conclusion

Significant funds earmarked for dealing with the pandemic situation in the State remained unutilised. Further, GoI did not release 2nd installment of NESIDS fund due to delay in submission of UCs. Progress on ramping up of health infrastructure with the focus on Paediatric care units was slow despite availability of funds. Most of the PSA plants remained non-functional. Assets created during pandemic, were found idle and are to be re-distributed on need basis. The ICU beds were kept idle in the sampled DHs except at TRIHMS in absence of trained manpower/COVID patients.

2.3.23 Recommendations

The Department may-

- *submit UCs to GoI timely for subsequent release of installments under central funding.*
- *monitor regularly progress of health infrastructure works for early completion and ensure efficient utilisation of earmarked funds.*
- *plan to utilise the assets and equipment which were created or procured during pandemic after proper assessment of requirement and thorough planning.*

Audit objective 4: Whether the State spending on health has improved the Health and Well-being conditions of people as per SDG 3?

2.3.24 Introduction

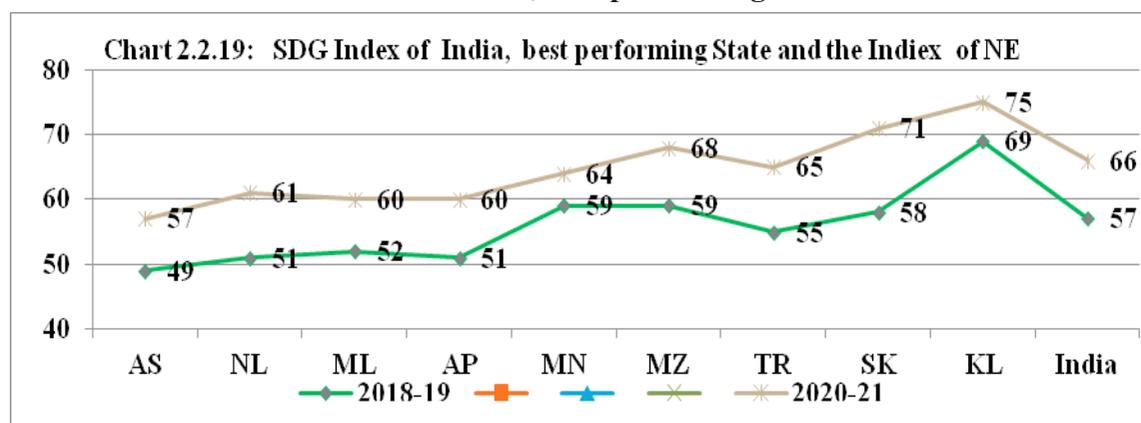
The global indicator framework for Sustainable Development Goals (SDGs) was adopted by the General Assembly of the United Nations in July 2017 and is contained in the Resolution adopted by the General Assembly on Work of the Statistical Commission pertaining to the 2030 Agenda for Sustainable Development.

NITI Aayog, the nodal body mandated to oversee the progress, developed the framework of the SDG India Index and Dashboard back in 2018, to capture the progress made by our States and Union Territories to monitor progress and achievements towards realising the 2030 Agenda.

2.3.24.1 Status of SDGs in India and the North Eastern States

As per the NITI Aayog report on ‘SDG India Index and Dashboard of 2021’, the progress made on SDGs by the States and the country as a whole is depicted in **Chart 2.17**.

Chart 2.17: SDG Index of India, best performing state and Index of NE

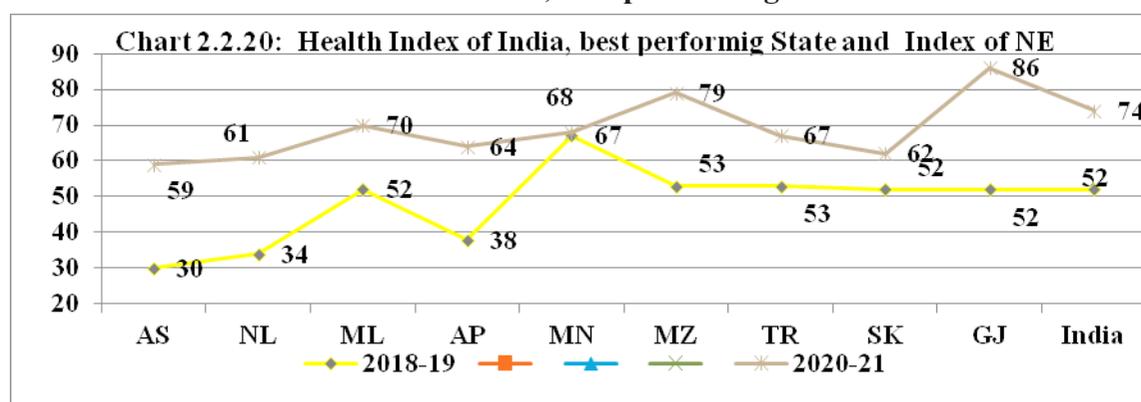


Description of Legends: AS-Assam, NL-Nagaland, ML-Meghalaya, AP- Arunachal Pradesh, MN- Manipur, TR-Tripura, SK-Sikkim, KL-Kerala

It can be seen from **Chart 2.17** that all the States and the country as a whole are gradually moving towards achieving the SDG Goals since all the States have improved their Index positions over the years from 2018 to 2021. Arunachal Pradesh is in the sixth position along with Meghalaya with the score of 60 among the NE States and achieved the 22nd rank in all India level.

The position with respect to SDG Goal 3 on the Health and Well Being conditions of people has been depicted in **Chart 2.18**.

Chart 2.18: Health Index of India, best performing state and Index of NE



Description of Legends: AS-Assam, NL-Nagaland, ML-Meghalaya, AP- Arunachal Pradesh, MN- Manipur, TR-Tripura, SK-Sikkim, KL-Kerala

All the States and the Country as a whole are gradually moving towards achieving the Goal of Health and Well Being conditions of people. Gujarat recorded best performance at Pan India level with score of 86. Arunachal Pradesh with the score of 64 is only above the States of Sikkim (score-62), Nagaland (score-61) and Assam (score-59). Though Arunachal

Pradesh has moved from 38 during 2018-19 to 64 in 2020-21, indicating a substantial improvement, it still has scope for further improvement.

Out of the 10 SDG-3 Health Indicators, the State was lagging behind all India average, in 05 indicators while maternal mortality is not calculated in the State since annual live birth figure in the State is below 1,00,000. Further, under-five mortality for the State is shown as Null which may be shown against the index to indicate the status of childcare (detailed in **Appendix-2.18**). During 2017-22, the State spending on the health sector was low and ranged from 5.03 to 6.44 *per cent* of the State budget as against eight *per cent* of the total budget of the State as envisaged in the National Health Policy (NHP), 2017. Also, the primary and secondary health care facilities in the State were running with acute shortage of manpower in the cadre of doctors, nurses and paramedics during 2017-22.

High-level monitoring committee was not formed in the State. As per the NITI Aayog's report, Department of Planning and Investment is the nodal Department for SDG initiative. Vision Document was not prepared as per NITI Aayog's guidelines. Thus, these underlying factors contributed to low achievement of the targeted indicators.

The Department during the Exit Conference (28 February 2023) stated that it has been in touch with the Planning Department to identify related schemes and indicators to monitor achievement of the SDG-3. It assured that the matter would be followed up closely.

2.3.25 Conclusion

State was lagging in achieving the SDG -3 indicators in five out of the ten targeted areas in comparison to the national achievements against those indicators. Spending on the health sector was not at the desired level as envisaged in the National Health Policy, 2017. Though monitoring mechanism was designed and developed, regular monitoring was not done, due to which impact assessment could not be done. There was lack of effective coordination between the Departments of Health and Planning for identifying specific health indicators requiring immediate attention.

2.3.26 Recommendations

The State Government may take appropriate actions for adequate funding, filling up of medical and paramedical vacant posts, regular monitoring for impact assessment and achieving targets for SDG indicators. The Health Department may coordinate with the Planning and Investment Department for framing State Indicator Framework with targets in alignment with the NITI Aayog's targets and linking of concerned health schemes with the target.

Social Justice & Empowerment and Tribal Affairs Departments

2.4 National Social Assistance Programme (NSAP)

An SSCA on “National Social Assistance Programme” was conducted covering the period from 2017-18 to 2020-21 involving test check of records of State Nodal Office for NSAP cum Social Justice & Empowerment and Tribal Affairs Department (SJETA) and six sampled District Nodal Offices cum Deputy Director of Integrated Child Development Scheme/ Child Development and Project Officers in selected districts. The SSCA on implementation of Scheme in Arunachal Pradesh brought out the following significant findings.

Highlights:

- *The Department did not maintain a comprehensive database of eligible beneficiaries. Even the list of population Below Poverty Line (BPL) of the State was not available. As a result, the universe of potential beneficiaries in the State was not identified.*
(Paragraph 2.4.8.1)
- *The number of individual beneficiaries during 2017-18 to 2020-21 was 54,652. Out of 34,485 beneficiaries fixed as cap by the Ministry, only 6,294 beneficiaries’ data was uploaded in the NSAP portal, indicating a gap in digitization of the 28,191 beneficiaries (81.75 per cent).*
(Paragraph 2.4.8.2)
- *During the period 2017-18 to 2020-21, the Department submitted the proposals for release of funds with a delay ranging between 209 and 575 days.*
(Paragraph 2.4.8.3)
- *Special Verification Teams as required in the guidelines were not constituted in the six sampled districts.*
(Paragraph 2.4.8.4)
- *Out of 75,841 cumulative beneficiaries in six sampled districts, Aadhaar mapping was done for 24,517 beneficiaries (32.33 per cent) and Bank account was seeded with Aadhaar for 43,350 beneficiaries (57.16 per cent).*
(Paragraph 2.4.8.7)
- *Department incurred an expenditure of ₹1.36 crore on payment of honorarium to its officers from scheme funds (in violation of Guidelines).*
(Paragraph 2.4.9.5)
- *Pension for all the three sub-schemes (IGNOAPS, IGDPS and IGWPS) was paid in lump sum once a year instead of regularly, on monthly basis.*
(Paragraph 2.4.10.1)
- *Out of 75,841 approved cumulative beneficiaries, there were 22,126 cumulative beneficiaries, who were approved by the Sanctioning Authority but were not paid assistance by the Pension Disbursing Authority i.e. District Nodal Officer. This resulted in deprivation of pension amounting to ₹31.46 crore.*
(Paragraph 2.4.10.2)

- *In six sampled districts, out of 66,405 cumulative beneficiaries paid assistance by the Pension Disbursing Authority, 18,432 were beneficiaries who were from outside the approved list of beneficiaries.*

(Paragraph 2.4.10.3)

- *Under IGNOAPS, the Department paid pensions to 849 beneficiaries at the lower rate of ₹1,500 per month although they had qualified for higher rate of ₹2,000 per month on attainment of 80 years of age. This resulted in short payment of pension to 849 beneficiaries, amounting to ₹25.72 lakh.*

(Paragraph 2.4.10.5)

- *It was noticed that 263 beneficiaries were paid an excess amount of ₹36.26 lakh due to payment of multiple pensions under different sub-schemes (ranging between two and eight times).*

(Paragraph 2.4.10.6)

- *In six sampled districts, 16 beneficiaries whose names were in the approved list had already died but their names continued to feature in the beneficiary list. During the period from 2017-18 to 2020-21, these beneficiaries were paid an amount of ₹7.33 lakh in their bank accounts.*

(Paragraph 2.4.10.7)

- *There was poor monitoring of the Scheme both at the State and district Level.*

(Paragraphs 2.4.11)

2.4.1 Introduction

National Social Assistance Programme (NSAP) scheme is being implemented in both rural as well as urban areas in all States. It was introduced on Independence Day, 1995. The Ministry of Rural Development being administering Ministry releases the funds to all States based on annual allocation (sub-scheme-wise). The scheme aims to achieve universal coverage of eligible persons through proactive identification. The scheme also seeks to have automatic convergence with other schemes to provide maximum benefit to the beneficiaries.

The NSAP scheme aims to provide a basic level of financial support to persons who have little or no regular means of subsistence. Central assistance under NSAP is given to States on the basis of estimated number of beneficiaries under each sub-scheme. The States have been strongly urged to provide an additional amount at least equivalent to the assistance provided by the Central Government so that the beneficiaries can get a decent level of assistance.

2.4.2 Organisational arrangements

The Ministry of Rural Development (MoRD), GoI is the nodal Ministry responsible for the overall planning, funding and co-ordination of the NSAP. In Arunachal Pradesh, NSAP is implemented by SJETA. A Commissioner/ Secretary level officer is the administrative head of the SJETA. The Directorate of SJETA is the implementing office for NSAP. At the district level, the Deputy Director/ Child Development Project Officer (CDPO) under Integrated Child Development Services (ICDS) acts as the District Nodal Officer for NSAP.

2.4.3 Audit Objectives

The main objectives of this Subject Specific Compliance Audit (SSCA) were to assess whether:

- a) the Scheme was planned efficiently to cover all the eligible and to exclude ineligible beneficiaries;
- b) the overall financial Management of the Scheme ensured timely availability and release of funds to the implementing agency for disbursement to the beneficiaries;
- c) the scheme was implemented effectively in a timely manner; and
- d) effective control mechanisms and robust IT systems existed for monitoring the Scheme.

2.4.4 Scope of Audit and Methodology

This SSCA on the implementation of the NSAP in Arunachal Pradesh covering the period 2017-18 to 2020-21 was carried out during January 2022 to July 2022. The SSCA covered:

- The four sub-schemes of NSAP: (i) Indira Gandhi National Old Age Pension Scheme (IGNOAPS); (ii) Indira Gandhi National Widow Pension Scheme (IGNWPS); (iii) Indira Gandhi National Disability Pension Scheme (IGNDPS); and (iv) National Family Benefit Scheme (NFBS).
- Total grant from GoI and GoAP for the period from 2017-18 to 2022-23 was ₹303.22 crore, out of which ₹99.41 crore was allocated to the six sampled districts.
- Out of 25 districts in the State, six districts namely (i) *Changlang*, (ii) *East Kameng*, (iii) *East Siang*, (iv) *Namsai*, (v) *Papum Pare* and (vi) *West Siang* were sampled.
- Out of Six districts, three districts⁶⁶ were sampled as they were the top three districts in the High Risk district list and the remaining three districts⁶⁷ were sampled through Probability Proportional to Size Without Replacement (PPSWOR) method with size measure being the total ST population in the districts;
- Twelve blocks⁶⁸ (two blocks from each district) out of total 114 blocks in the six districts were sampled through Simple Random Sampling without Replacement (SRSWoR) Method;
- Test-check of records of the office of the Director, SJETA-cum-State Nodal Officer, NSAP and six Deputy Directors, ICDS-cum-District Nodal Officer, NSAP; and
- Out of 54,652 beneficiaries (IGNOAP: 45,284 beneficiaries; IGNWPS: 5,984 beneficiaries; IGNDPS: 2,865 beneficiaries and NFBS: 519 beneficiaries), Audit conducted interaction of 307 beneficiaries (IGNOAPS: 237 beneficiaries; IGNWPS: 55 beneficiaries; IGNDPS: 14 beneficiaries and NFBS: one beneficiary).

⁶⁶ Papum Pare, East Siang and West Siang

⁶⁷ East Kameng, Namsai and Changlang

⁶⁸ (i) Mebo, (ii) Ruksin, (iii) Balijan, (iv) Doimukh, (v) Aalo East, (vi) Darak, (vii) Bameng, (viii) Seppa, (ix) Diyun, (x) Nampong, (xi) Chongkham and (xii) Namsai

The SSCA commenced with an Entry Conference on 01 November 2021 with the Director, SJETA, where the audit methodology, objectives, criteria, scope *etc.* of the SSCA were explained. An Exit Conference was held with the Secretary of SJETA along with Departmental officials on 23 August 2022 to discuss the audit findings contained in the draft SSCA Report. The views expressed by the Department during the Exit Conference and the formal replies of the Department received were incorporated in the report appropriately.

2.4.5 Audit Criteria

The audit findings were benchmarked against the following criteria:

- NSAP Guidelines of 2014 issued by MoRD, GoI;
- Notifications, orders and circulars on NSAP issued by the MoRD, GoI;
- GoI/State Government orders relating to implementation of the NSAP;
- Physical and financial progress reported by the Department of SJETA, GoAP to the MoRD, GoI through the Utilisation certificates of funds;
- Central/State Government Orders/Instructions for implementing, monitoring or evaluating the scheme; and
- PFMS/ DBT related orders/instructions.

The eligibility criteria and the assistance under the NSAP sub-schemes are shown in **Table 2.47**.

Table 2.47: Details of eligible beneficiaries, amount of pensions, share of the Governments

Sl. No.	Name of the Scheme	Age Group (in years)	Monthly pension (In ₹)	Share of GoI (In ₹)	Share of GoAP (In ₹)
1.	IGNOAPS	60 years to 79 years	1,500.00	200.00	1,300.00
		80 years and above	2,000.00	500.00	1,500.00
2.	IGNWPS	40 years to 79 years	2,000.00	300.00	1,700.00
		80 years and above	2,000.00	500.00	1,500.00
3.	IGNDPS	18 years to 79 years	2,000.00	300.00	1,700.00
		80 years and above	2,000.00	500.00	1,500.00
4.	NFBS	18 years to 59 years of deceased bread winner	20,000.00 (one-time payment)	20,000.00	Nil

Source: Guidelines and other Departmental records.

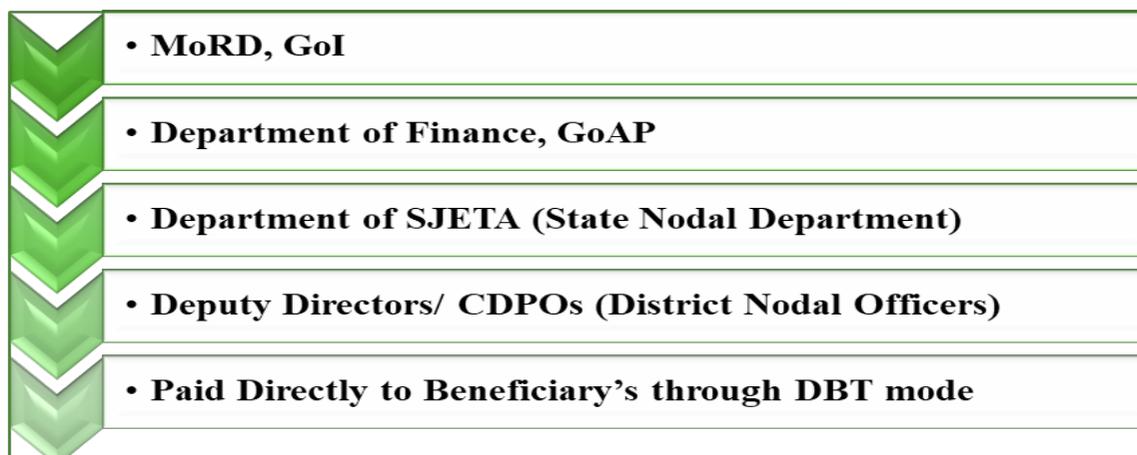
2.4.6 Acknowledgement

The Office of the Principal Accountant General, Arunachal Pradesh acknowledges the co-operation and assistance provided by the SJETA, GoAP during conduct of this SSCA.

2.4.7 Organisational setup and procedure for disbursement of assistance

The MoRD, GoI released funds to the Department of Finance, GoAP and the State Government sanctioned the same to the implementing Department (SJETA). The implementing Department released the funds to the implementing agencies (ICDS) and the implementing agencies distributed assistance to the beneficiaries by DBT. The procedure adopted by the Departments for disbursement of assistance is depicted in **Chart 2.19**.

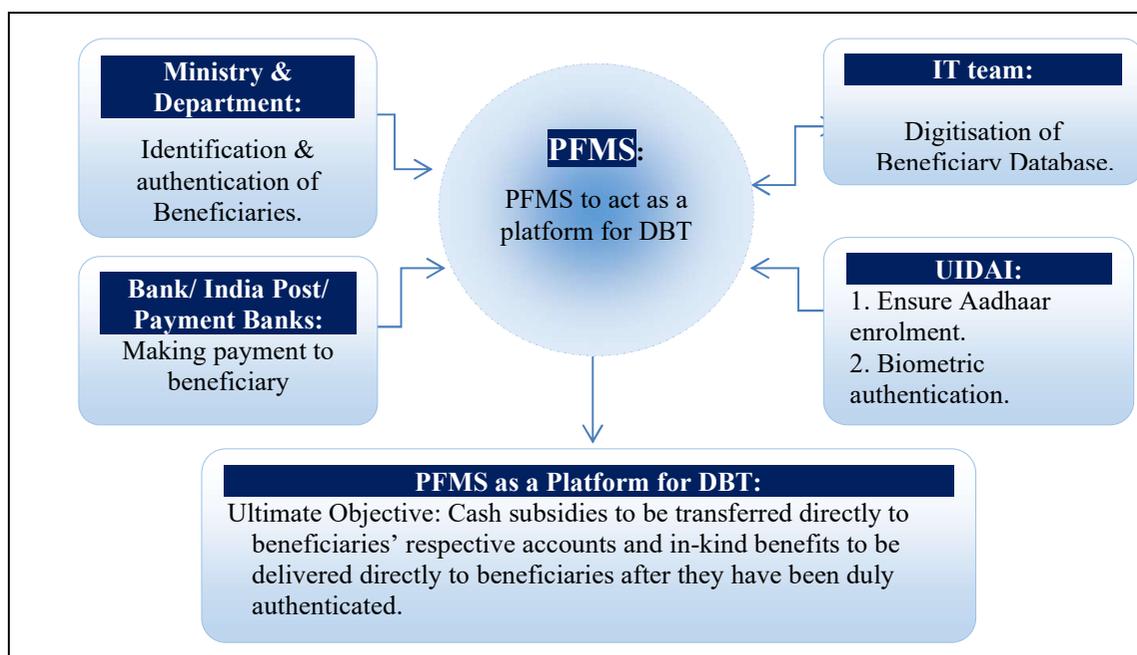
Chart 2.19: Details of procedure adopted by the Department for disbursement of pension



Source: Departmental records

Direct Benefit Transfer (DBT) framework has a multi-stakeholder architecture which capitalises on the competencies of various Departments and institutions to deliver benefits to beneficiaries in a timely and effective manner. The figure below explains how different stakeholders work together to facilitate a holistic environment for successful implementation of DBT system.

Chart 2.20 Framework of DBT



Source: Standard Operating Procedure (SOP) of DBT.

The shares of GoI and the State Government are together deposited into the CDPO's (Nodal Officer) Account by the State Nodal Department (SJETA). The pension was then disbursed directly to the accounts of the approved beneficiaries' from the nodal officer's account.

Audit findings

The findings of the SSCA are discussed in the succeeding paragraphs.

2.4.8 Planning

2.4.8.1 Identification of beneficiaries

Section 3.1.3 of NSAP guidelines envisages that Gram Panchayats/ Municipalities should be given the central role for identification of new beneficiaries. Based on the available BPL list, the beneficiaries should be proactively identified by reaching out to their households. However, if an eligible person's name does not figure in the BPL list, he/she should not be left out. Further, Section 5.2.2 of NSAP Revised Guidelines, 2014 envisages that the States are required to maintain a database of eligible beneficiaries after identification of universe of potential beneficiaries and upload it in the public domain *i.e.* NSAP Portal maintained by MoRD.

It was noticed that in the six sampled districts, the Gram Panchayats/ Municipalities were not involved in the identification of new beneficiaries. Thus, the beneficiaries were not proactively identified by reaching out to their household from the available BPL list. However, the beneficiaries were selected based on applications received from them which are verified by the District Nodal Officer as depicted by **flow Chart 2.21**.

Chart 2.21: Procedure followed for selection of Beneficiaries



Source: Departmental records

It was also noticed that the Department did not maintain a comprehensive database of eligible beneficiaries. Further the list of population Below Poverty Line (BPL) of the State was not available. As such the universe of potential beneficiaries in the State was not identified.

The list of beneficiaries who applied under the scheme (as depicted in **Chart 2.21**) was available with the Department. This beneficiary list was maintained manually, and the data of the beneficiaries was only partially uploaded on NSAP-portal as discussed in **Paragraph 2.4.8.2**.

Due to absence of necessary data of potential beneficiaries, complete coverage of eligible beneficiaries in the State could not be determined and the benefits of the scheme had not been extended to the actual beneficiaries in the State. It was noticed that there were 39,336 beneficiaries up to 2017-18, subsequently 11,069 new beneficiaries were included in 2018-19 and 4,247 new beneficiaries were thereafter included in 2019-20.

The Department during the Exit Conference (23 August 2022) and its reply (31 August 2022) stated that a committee comprising 'Deputy Commissioner, Deputy Director (ICDS)/ CDPOs-cum-District Nodal Officer (NSAP) and Zilla Parishad members' already exists at

the District Level for verification and identification of beneficiaries and periodic updation of the beneficiary data. The Department furnished a GoAP notification in support of its claim. However, it was noticed that no district level committee as stated by the Department in the above notification was constituted in any of the sampled districts. The Department in its reply (31 August 2022) stated that Gram Panchayat members will be involved in identification of beneficiaries in future.

Recommendation: The Department may ensure participation of Gram Panchayats/ Municipalities in identification of new beneficiaries in the State.

2.4.8.2 Gap in digitisation of eligible beneficiaries' data

Section 2.3 of NSAP Revised Guidelines, 2014 states that the Ministry provides funds to the States on the basis of State-wise cap fixed on the number of beneficiaries or digitized number of beneficiaries whichever is less. The numerical ceiling for each State/ UT has been fixed taking into account the population figures as per the census of 2001 and the poverty ratio determined by the Planning Commission. However, the ceiling has not been revised after the census of 2011.

The number of individual beneficiaries during 2017-18 to 2020-21 was 54,652. However, the Ministry fixed the cap at 34,485 beneficiaries. Out of 34,485 beneficiaries, data of only 6,294 beneficiaries was uploaded in the NSAP portal. Thus, there was a gap in digitization of the 28,191 beneficiaries (81.75 per cent). **Table 2.48** depicts the status of digitization of beneficiaries.

Table 2.48: Status of digitization of beneficiaries

Name of the Sub-scheme under NSAP	Age Group (in years)	Number of beneficiaries approved by the Department (A)	Cap fixed by the Centre (B)	Number of beneficiaries whose data was digitized (C)	Gap in digitization (B-C)
IGNOAPS	60-79 and 80 & above	45,284	29,290	5,894	23,396
IGNWPS	40 and above	5,984	3,565	288	3,277
IGNDPS	18 and above	2,865	1,284	112	1,172
NFBS	18 to 59	519	346	0	346
Total		54,652	34,485	6,294	28,191

Source: Guidelines and Management Letter

The Department, during the exit conference (23 August 2022) and in its reply (31 August 2022) stated that from the year 2018-19, the GoI made it mandatory to upload beneficiary details to the NSAP portal and the funding was linked to the completion of the exercise. However, for want of various details about the beneficiaries, most of the data could not be uploaded on the portal. Hence, there was only partial funding for 2018-19 and no funding was received from GoI for 2019-20 and 2020-21. It can be seen from **Table 2.48** above that less digitization of beneficiary data had impacted Central share funding. Thus, the inability of State Nodal Officer (Director, SJETA) to update beneficiary data completely in the NSAP Portal resulted in denial of benefits to the eligible beneficiaries of getting pension in those years.

The Department in its reply (31 August 2022) accepted the Audit observation and stated that steps are being taken to upload beneficiary data in the NSAP portal.

Recommendation: The Department may fix responsibility on the erring officials for depriving benefits to the eligible beneficiaries.

2.4.8.3 Delay in submission of proposals

Sections 4.3 and 4.4 of NSAP Revised Guidelines, 2014 envisage that the first instalment of the Scheme would be released automatically to a State which has taken 2nd instalment of the previous year *i.e.* without any proposal for 1st instalment from the State. For the release of 2nd instalment the State Government sends a proposal to the Central Government with requisite documents/ certificates/ annexures.

It is important to note that the proposal for release of 2nd instalment should be submitted by 15th December. No proposal for release of 2nd instalment would be considered after 15th December, unless there is a justifiable reason for delay.

During the period 2017-18 to 2020-21, the Department submitted the proposals for 2nd instalment with delays ranging from 209 to 575 days from the due date of submission. Details of submission of proposals for 2nd instalment during 2017-18 to 2020-21 are shown in **Table 2.49**.

Table 2.49: Details of submission of proposals for 2nd instalments during 2017-18 to 2022-23

Financial Year and Instalment	Due date of proposal	Actual Date of Proposal	Delay (in Days)
2017-18 - 2 nd Instalment	15-12-2017	05-09-2018	264
2018-19 - 2 nd Instalment	15-12-2018	19-11-2019	339
2019-20 - 2 nd Instalment	15-12-2019	12-07-2021	575
2020-21 - 2 nd Instalment	15-12-2020	12-07-2021	209
2021-22- 2 nd Instalment	15-12-2021	07-02-2023	419
2022-23 - 2 nd Instalment	15-12-2022	not sent	-

Source: Departmental records

Consequently, GoI released (March 2019) the funds for 2017-18 and 2018-19 and no fund was released for remaining two years (2019-20 and 2020-21), thereby depriving the beneficiaries of the benefits of the scheme.

The Department in its reply (31 August 2022) accepted that there were delays in submission of the proposal and stated that in future proposal will be submitted in time. However, it was found that the proposals for 2021-22 were sent on 07 February 2023 after a delay of 419 days and the proposal for 2022-23 is yet to be sent (June 2023). Thus, the Department did not stand by its commitment that it would send the proposals in time.

2.4.8.4 Non-confirmation of existing beneficiaries

Section 3.1.2 of NSAP Revised Guidelines, 2014 envisages annual verification of beneficiaries to confirm the existing beneficiaries. The States may constitute Special Verification Teams for the purpose under an authorised officer. The teams should include representatives of Non-Government Organisations (NGO) of repute which are active in the locality. After the verification, lists of persons proposed to be confirmed or deleted should be published separately.

However, scrutiny of records revealed that 'Special Verification Teams' as required in the guidelines were not constituted in the six sampled districts. Thus, in absence of 'Special Verification Teams' the database of eligible beneficiaries was not confirmed.

During the Exit conference (23 August 2022) and its reply (31 August 2022), the Department accepted the Audit observation and stated that 'Special Verification Team (SVT)' will soon be constituted in every district of the State. However, it was found that after making an assurance to Audit the Department did not constitute any SVT in any of the districts (as on 30 June 2023).

2.4.8.5 Ineffective Information, Education and Communication (IEC) Activities

Section 7.2.1 of NSAP Revised Guidelines, 2014 stipulates wide and continuous publicity about the entitlements under the schemes of NSAP and the procedure for claiming them through posters, brochures, media and other means. Publicity of the scheme and awareness generation plays a key role in letting the beneficiaries know about existence of social security schemes by the State.

Out of total allocation of ₹243.35 crore, an amount of ₹4.39 crore was earmarked as Administrative Expenditure. However, the Department did not provide a separate allocation for IEC activities.

The Department took up awareness generation by broadcasting of advertisement through '90.80 FM Radio' on two occasions in October 2018 and May 2020, by incurring ₹1.09 crore. However, reach of the '90.80 FM Radio' is limited to the state capital (Itanagar) only and does not cover the whole State.

Besides, Section 3.1.3 states that for identification of new beneficiaries with disability, the State should mandatorily organise camps at convenient localities to which the potential beneficiaries are taken by vehicle free of cost. Disability Certificates should be issued on the spot. However, during Audit of six sampled Districts it was noticed that not even a single camp was organised.

The Department, thus, did not take adequate steps to create awareness about the scheme among the masses. This had resulted in less number of beneficiaries coming forward to avail the benefit of the scheme.

The Department during the Exit conference (23 August 2022) and its reply (31 August 2022) accepted the Audit observation and stated that it will explore options of suitable advertisement media to create State-wide awareness of the scheme among the masses for maximum coverage of the scheme. It was also stated that the 'Guidelines and Booklets/Pamphlet' will soon be distributed to the district offices.

Recommendation: The Department may separately earmark funds for IEC activities.

2.4.8.6 Beneficiaries deprived due to non-release of Assistance

Section 4.2.1 of NSAP Guidelines states that funds for the schemes would be released to the Consolidated Fund of the State Government in two equal instalments.

During 2017-18 to 2020-21, GoI released both the instalments for 2017-18 and only one instalment for 2018-19. No funds were released for 2019-20 and 2020-21. Further, the State Government did not release its share for the year 2019-20. Besides, no funds were sanctioned under both Central and State share for the year 2021-22.

Due to non-release of funds by GoI and GoAP during these years, 54,133 individual beneficiaries (whose applications were approved) were deprived of assistance amounting to ₹256.75 crore. The details of unpaid assistance are shown in **Table 2.50**.

Table 2.50: Details of unpaid assistance

Sl. No.	Sub-scheme	Beneficiaries	Amount (₹ in lakh)
1.	IGNOAPS	45,284	20,792.64
2.	IGNDPS	2,865	1,585.88
3.	IGNWPS	5,984	3,296.55
Total		54,133	25,675.08

Source: Departmental records

The year-wise, scheme-wise, beneficiary details are given in **Appendix-2.19**.

The Department, during the exit conference (23 August 2022) and its reply (31 August 2022) stated that from the year 2018-19, the GoI made it mandatory to upload beneficiary details to the NSAP portal and the funding was linked to the completion of the exercise. However, for want of various details about the beneficiaries, most of the data could not be uploaded on the portal. Hence, there was only partial funding for 2018-19 and no funding was received from GoI for 2019-20 and 2020-21. The Department also stated that the matter would be taken up with the Nodal Officers in the districts and data would be uploaded in future. Also, the work of uploading was adversely affected by the COVID-19 Pandemic. On non-funding under State share for 2019-20, the Department cited financial constraints of the State Government.

Thus, non-releasing of State share and inability of the Department to upload beneficiary data in the NSAP portal led to beneficiaries being deprived of scheme benefits.

The Department stated that details of 50,338 beneficiaries were uploaded in the NSAP website till June 2023 (as on 30 June 2023).

Recommendation: The Department may fix responsibility on the erring officials for non-updation of beneficiary details in the NSAP Portal.

2.4.8.7 Aadhaar Integration

NSAP emphasises electronic/ IT enabled services for distribution of pension. Section 5.2.12 of NSAP Guidelines envisages Aadhaar based platform for pension disbursement. This platform further enhances efficiency in the sanction, payment and disbursement process. Many States have reached an advanced stage in Aadhaar enrolment of beneficiaries, recognising the fact that this helps in reduction of leakages and duplication. It also provides mobility to the pensioners in case of migration from one place to another. This platform supports financial inclusion also.

Aadhaar-enabled accounts are usually considered secure as UIDAI gets all the verification done before allotting the Aadhaar number. It helps in opening bank account by simplifying the KYC procedure; Beneficiaries will be able to enjoy the direct credit of different Government welfare funds, pensions, scholarships *etc.* Aadhaar enabled Payment System ensures a reduction in Government spending leakages. It also allows residents to access their accounts from anywhere in the country. Aadhaar integration reduces the chances of fraud and protects an individual's financial credentials.

The State Nodal Officer (Director, SJETA) is the responsible authority for Aadhaar integration of beneficiary data. However, it was observed that the State Nodal Officer did not have Aadhaar integration data for the beneficiaries. During Audit of six sampled districts, it was noticed that out of 75,841 cumulative beneficiaries in six sampled districts, Aadhaar mapping was done for 24,517 beneficiaries (32.33 per cent) and Bank account was seeded with Aadhaar for 43,350 beneficiaries (57.16 per cent). The details are given in *Appendix-2.20*.

The Department during the Exit conference (23 August 2022) and in its reply (31 August 2022) accepted the observation and stated that it is already following up the matter. The Department stated that the position is expected to improve very soon.

Recommendations:

The Department may take immediate steps to complete the Aadhaar Integration of the remaining beneficiaries at the earliest and fix responsibility on the erring officials for the lapses.

2.4.9 Financial Management

2.4.9.1 Physical and Financial Progress

Central Share of Funds

During 2017-18 to 2022-23, the Central Government sanctioned ₹12.38 crore (1st and 2nd instalments: ₹11.17 crore for 2017-18 and 1st instalment for 2018-19: ₹1.22 crore). There was no sanction of funds under central share for the years 2019-20 to 2022-23. An amount of ₹10.94 crore out of ₹12.38 crore was utilised during 2017-23. As per the ceiling limit there were 2,06,910⁶⁹ cumulative beneficiaries of which only 39,564 beneficiaries were provided financial assistance under the scheme.

The ceiling limit for NSAP (central share) was 34,485 beneficiaries (IGNOAPS: 29,290 beneficiaries; IGNWPS: 3,565 beneficiaries; IGNDPS: 1,284 beneficiaries and NFBS: 346 beneficiaries). However, during 2017-18 (Central share) pensions were paid to 39,391 beneficiaries (IGNOAPS: 33,723 beneficiaries; IGNWPS: 3,759 beneficiaries; IGNDPS: 1,563 beneficiaries and NFBS: 346 beneficiaries). The details of funds released by the GoI and expenditure incurred thereagainst are shown in **Table 2.51**.

Table 2.51: Details of funds released by the GoI, beneficiary ceiling and expenditure thereof

Sl. No.	Sub-schemes	Year	No. of Beneficiaries		Grant from GoI	Expenditure		
			Cap	paid		Assistance	Administration	Total
1.	IGNOAPS	2017-18	29,290	33,723	865.47	788.01	25.20	813.21
2.	IGNWPS		3,565	3,759	132.19	124.05	3.83	127.88
3.	IGNDPS		1,284	1,563	47.61	42.20	1.37	43.57
4.	NFBS		346	346	71.28	69.20	2.06	71.26
Sub-total			34,485	39,391	1,116.55	1,023.46	32.46	1,055.92

⁶⁹ 34,485 beneficiaries' X 6 years

Sl. No.	Sub-schemes	Year	No. of Beneficiaries		Grant from GoI	Expenditure		
			Cap	paid		Assistance	Administration	Total
1.	IGNOAPS	2018-19	29,290	0	78.47	0.00	2.28	2.28
2.	IGNWPS		3,565	0	5.34	0.00	0.15	0.15
3.	IGNDPS		1,284	0	2.08	0.00	0.06	0.06
4.	NFBS		346	173	35.64	34.60	1.03	35.63
Sub-total			34,485	173	121.53	34.60	3.52	38.12
1.	IGNOAPS	2019-20	29,290	0	0.00	0.00	0.00	0.00
2.	IGNWPS		3,565	0	0.00	0.00	0.00	0.00
3.	IGNDPS		1,284	0	0.00	0.00	0.00	0.00
4.	NFBS		346	0	0.00	0.00	0.00	0.00
Sub-total			34,485	0	0.00	0.00	0.00	0.00
1.	IGNOAPS	2020-21	29,290	0	0.00	0.00	0.00	0.00
2.	IGNWPS		3,565	0	0.00	0.00	0.00	0.00
3.	IGNDPS		1,284	0	0.00	0.00	0.00	0.00
4.	NFBS		346	0	0.00	0.00	0.00	0.00
Sub-total			34,485	0	0.00	0.00	0.00	0.00
1.	IGNOAPS	2021-22	29,290	0	0.00	0.00	0.00	0.00
2.	IGNWPS		3,565	0	0.00	0.00	0.00	0.00
3.	IGNDPS		1,284	0	0.00	0.00	0.00	0.00
4.	NFBS		346	0	0.00	0.00	0.00	0.00
Sub-total			34,485	0	0.00	0.00	0.00	0.00
1.	IGNOAPS	2022-23	29,290	0	0.00	0.00	0.00	0.00
2.	IGNWPS		3,565	0	0.00	0.00	0.00	0.00
3.	IGNDPS		1,284	0	0.00	0.00	0.00	0.00
4.	NFBS		346	0	0.00	0.00	0.00	0.00
Sub-total			34,485	0	0.00	0.00	0.00	0.00
Grand Total			2,06,919	39,564	1,238.08	1,058.06	35.98	1,094.04

Source: Departmental records

It could be seen from the table above that during 2017-18, GoI released pension with a cap for 34,485 beneficiaries. However, payments were made to 39,391 beneficiaries, resulting in an excess of 4,906 beneficiaries beyond the prescribed ceiling limit. This discrepancy led to a reduction in pension payments, with IGNOAPS and IGNWPS beneficiaries receiving payments for only 11 months, and IGNDPS beneficiaries receiving payments for only nine months.

State Share of Funds

During 2017-18 to 2021-22, the State Government sanctioned ₹230.97 crore (2017-18: ₹76.50 crore, 2018-19: ₹69.46 crore and 2020-21: ₹85.00 crore). No fund was sanctioned for the year 2019-20 and 2021-22. An amount of ₹226.40 crore out of ₹230.97 crore was utilised. During 2017-18 to 2022-23, the Department approved 3,11,119 cumulative beneficiaries of which only 1,34,921 were provided financial assistance under the scheme. During 2022-23, an amount of ₹59.87 crore was sanctioned. The number of approved beneficiaries for 2022-23 is 59,325 ((IGNOAPS-48,722 Beneficiaries, IGNWPS-7,168 Beneficiaries and IGNDPS 3,435 Beneficiaries). The Department stated that expenditure figures were not available as payment process for 2022-23 was still ongoing (September 2024).

Table 2.52: Details of Funds released by GoAP, approved beneficiaries and expenditure thereof

(₹ in lakh)

Sl. No.	Sub-Scheme	Year	No. of Beneficiaries		Grant	Expenditure		
			Approved	paid	from GoAP	Assistance	Administration	Total
1.	IGNOAPS	2017-18	33,678	33,723	6,350.00	5,294.32	161.11	5,455.43
2.	IGNWPS		3,759	3,759	850.00	766.84	23.34	790.18
3.	IGNDPS		1,553	1,563	450.00	318.85	9.70	328.55
4.	NFBS		346	0	0.00	0.00	0.00	0.00
Sub-total			39,336	39,045	7,650.00	6,380.01	194.15	6,574.16
1.	IGNOAPS	2018-19	41,800	36,526	5,462.12	5,734.44	163.85	5,898.29
2.	IGNWPS		5,487	5,257	1,009.62	1,072.43	30.29	1,102.72
3.	IGNDPS		2,599	2,701	475.02	551.00	14.25	565.25
4.	NFBS		173	0	0.00	0.00	0.00	0.00
Sub-total			50,059	44,484	6,946.76	7,357.87	208.39	7,566.26
1.	IGNOAPS	2019-20	45,284	0	0.00	0.00	0.00	0.00
2.	IGNWPS		5,984	0	0.00	0.00	0.00	0.00
3.	IGNDPS		2,865	0	0.00	0.00	0.00	0.00
4.	NFBS		0	0	0.00	0.00	0.00	0.00
Sub-total			54,133	0	0.00	0.00	0.00	0.00
1.	IGNOAPS	2020-21	45,284	42,206	6,626.06	6,625.97	0.00	6,625.97
2.	IGNWPS		5,984	6,209	1,266.64	1,266.64	0.00	1,266.64
3.	IGNDPS		2,865	2,977	607.31	607.31	0.00	607.31
4.	NFBS		0	0	0.00	0.00	0.00	0.00
Sub-total			54,133	51,392	8,500.01	8,499.92	0.00	8,499.92
1.	IGNOAPS	2021-22	45,284	0	0.00	0.00	0.00	0.00
2.	IGNWPS		5,984	0	0.00	0.00	0.00	0.00
3.	IGNDPS		2,865	0	0.00	0.00	0.00	0.00
4.	NFBS		0	0	0.00	0.00	0.00	0.00
Sub-total			54,133	0	0.00	0.00	0.00	0.00
1.	IGNOAPS	2022-23	48,722	0	4627.11	-*	-	-
2.	IGNWPS		7,168	0	481.17	-	-	-
3.	IGNDPS		3,435	0	878.58	-	-	-
4.	NFBS		0	0	0.00	-	-	-
Sub-total			59,325	0	5986.86	0.00	0.00	-
Grand Total			3,11,119	1,34,921	29,084.00	22,238.00	403.00	22,640.00

Source: Departmental records

*No funds were expended during the year

It can be seen from **Tables 2.51 and 2.52**, that total allocation of funds during the period 2017-18 to 2022-23 was ₹303.22 crore (central share: ₹12.38 crore and state share: ₹290.84 crore), out of which ₹237.34 crore (central share: ₹10.94 crore and state share: ₹226.40 crore, excluding expenditure figures for 2022-23) was expended.

2.4.9.2 Inaction of the Department led to less sanction of funds

As per Section 5.2.3 of NSAP Guidelines, Legacy database is required to be uploaded on the NSAP website. For this purpose, legacy data formats for IGNOAPS, IGNWPS and IGNDPS are placed on the NSAP website. The data should be complete in all respects and the mandatory fields must be filled. The data on new pensioners needs to be entered online.

Out of 75,841 cumulative beneficiaries (approved) in the six sampled districts details of 1,137 beneficiaries could not be uploaded at the NSAP portal. The details are given in **Appendix-2.21**.

As such, Audit concluded that non-fulfilment of beneficiary details resulted in less Digitization, which along with non-submission of UCs in time affected the release of funds. Thus, there was a drastic reduction in funds sanctioned by GoI in 2018-19. No funds were sanctioned after that (2019-20, 2020-21, 2021-22 and 2022-23). Details are shown in **Table 2.53**.

Table 2.53: Details of GoI Sanction orders

(₹ in lakh)

Sl. No.	Financial Year	No. of Instalment	Sanction Order No. and Date	Amount
1.	2017-18	1 st	J-12012/1/2014-NSAP dated 25-03-2019	558.29
2.		2 nd	J-12012/1/2014-NSAP dated 25-03-2019	558.26
Sub Total				1,116.55
3.	2018-19	1 st	J-12012/1/2014-NSAP dated 25-03-2019	121.53
Sub Total				121.53
Grand Total				1,238.08

Source: Departmental records

The Department during the Exit Conference (23 August 2022) and its reply (31 August 2022) accepted the Audit observation and stated that from the year 2018-19, the GoI made it mandatory to upload beneficiary details to the NSAP portal and the funding was linked to the completion of the exercise. The Department stated that efforts are being made for uploading beneficiary data in NSAP Portal.

It is evident that the Department did not digitize beneficiary data despite having sufficient time.

Recommendation: Efforts may be made to immediately digitize beneficiary details and Central govt. may be pursued for release of second instalment of 2018-19 and sanction of funds for 2019-20, 2020-21, 2021-22 and 2022-23.

2.4.9.3 Interest liability due to delay in release of fund

According to fund sanction order conditions, the States should transfer the funds to Scheme implementing Departments within three days of receipt of fund, failing which the States will be liable to pay interest at the rate of 12 per cent beyond three days from the date of receipt of funds.

On 25 March 2019, the GoI released an amount of ₹12.38 crore, which was sanctioned by the State Government to the implementing Department between 04 December 2019 and 04 January 2020. As a result, there was substantial delay in transferring of funds by the State Government to the implementing agencies ranging from 251 to 265 days. The details are shown in **Table 2.54**.

Table 2.54: Details of receipt and release of GoI's share of fund by GoAP to the implementing Department

(₹ in lakh)

Year	No. of Instalment	Date of release by GoI to GoAP	Due date of release by GoAP	Actual date of release by GoAP	Amount	Delay (in days)	Interest @ 12 per cent
2017-18	1 st	25.03.2019	28.03.2019	04.12.2019 to 04.01.2020	558.29	251	46.07
	2 nd	25.03.2019	28.03.2019	09.12.2019 to 03.01.2020	558.26	256	46.99

Year	No. of Instalment	Date of release by GoI to GoAP	Due date of release by GoAP	Actual date of release by GoAP	Amount	Delay (in days)	Interest @ 12 per cent
2018-19	1 st	25.03.2019	28.03.2019	18.12.2019	121.53	265	10.59
2019-20	No funds were sanctioned				0.00	-	0.00
2020-21	No funds were sanctioned				0.00	-	0.00
2021-22	No funds were sanctioned				0.00	-	0.00
Total					1,238.08	-	103.64

Source: Departmental records

Delay in transferring of funds resulted in creation of a liability of ₹1.04 crore.

The Department in its reply (08 August 2022) stated that the delay of three to four months was mainly due to process of obtaining budgetary support, finance concurrence, expenditure authorisation and finally crediting funds into the bank Account of the Department. However, no response was received as of September 2024.

Thus, considerable delay on the part of Finance Department in releasing funds to SJETA and also the Department's inability to streamline the disbursement of the benefit resulted in delayed transfer of assistance to the ultimate beneficiaries.

2.4.9.4 Irregularities in Utilisation Certificate

(i) Delay in submission of UCs

As per Section 4.4 of NSAP guidelines, while submitting the proposal for the release of 2nd instalment of a particular year, the State Government needs to furnish Utilisation Certificates (UCs) for State as a whole for the funds received during the previous financial year in the prescribed proforma indicating sub-scheme-wise utilisation. In addition to this, the State also needs to furnish UC for the funds received in 1st instalment during the current financial year in the prescribed proforma.

Under central share the GoI sanctioned ₹11.17 crore and ₹1.21 crore for 2017-18 and 2018-19 respectively. The UCs for 2017-18 and 2018-19 for an amount of ₹11.17 crore and ₹1.21 crore were submitted on 04 June 2020 and 07 October 2021 respectively. The funds for both the years were sanctioned on 25 March 2019. As such, due date for submission of UC was on 31 March 2019. Thus, the UC for 2017-18 was submitted after a delay of more than one year (431 days). Similarly, the UC for 2018-19 was submitted after a delay of more than two and half years. Further, no funding was received for the years 2019-20, 2020-21, 2021-22 and 2022-23. Thus, delay in submission of UCs was one of the reason for non-sanctioning of funds during those years.

(ii) Submission of incorrect UCs

The UCs for 2017-18 and 2018-19 were for an amount of ₹12.38 crore (₹11.17 crore + ₹1.21 crore). However, actual expenditure incurred was ₹10.94 crore (₹10.55 crore and ₹38.12 lakh). The details of expenditure incurred and UCs submitted are shown in **Table 2.55**.

Table 2.55: Details of expenditure vis-à-vis submission of UCs

(₹ in lakh)

Sub-schemes	2017-18			2018-19		
	Expenditure as per record	Expenditure as per UC	Difference	Expenditure as per record	Expenditure as per UC	Difference
IGNOAPS	813.21	865.47	-52.26	2.28	78.47	-76.19
IGNWPS	127.88	132.19	-4.31	0.15	5.34	-5.19
IGNDPS	43.57	47.61	-4.04	0.06	2.08	-2.02
NFBS	71.26	71.28	-0.02	35.63	35.64	-0.01
Total	1,055.92	1,116.55	-60.63	38.12	121.53	-83.41

Source: SJETA, GoAP

It could be seen from the table above that incorrect UCs of ₹1.44 crore (₹12.38 crore - ₹10.94 crore) were submitted.

The Department during the exit conference (23 August 2022) stated that delay in submission of UC was partly due to delay in release of funds by the Finance Department. On the issue of incorrect UC, the Department stated that it will look into the matter and take corrective measures, if needed. With respect to the UCs for state share, the Department stated that it will submit the pending UCs, if any, and will also ensure regular submission of UCs in future.

Further, the Department in its reply (31 August 2022) stated that in future, the UCs will be submitted in timely manner and no further delay will be repeated. The Department also added that it will submit all the pending UCs and will also ensure regular submission of UCs in future.

The Department accepted the Audit observation on submission of inflated UCs and stated that the amount of ₹1.44 crore is still parked in State Nodal Agency (SNA) account which will be released to District Nodal Officers on receipt of additional Central share. However, in addition to 2019-20 and 2020-21, Central Share for 2021-22 and 2022-23 was also not sanctioned. Therefore, the amount of ₹1.44 crore is still in SNA account (as on 30 June 2023). Thus, submission of UCs without actual expenditure was against the provisions of the Government financial rules and was fraught with the risk of mis-utilisation of public money. Retention of funds in SNA not only led to expenditure booked under the corresponding heads being inflated without actual outgo, but also resulted in dilution of control over actual expenditure. Besides funds meant for pension disbursement remained parked in the SNA account thereby hampering regular disbursement of pension.

Recommendation: *The Department may make efforts to submit the correct UCs to the sanctioning authority and before due date so as to avoid non-release of fund in future.*

2.4.9.5 Irregularities in utilisation of Administrative Expenditure Fund

As per Section 7.2 of NSAP guidelines, Eligible items under administrative expenditure include printing and distribution of pension passbooks, printing of application forms, organisation of camps, IEC activities, etc.

During 2017-18 to 2020-21, ₹4.39 crore was allotted as administrative expenditure. The details of utilisation of allotted administrative expenditure are shown in **Table 2.56**.

Table 2.56: Details of Administrative expenditure during 2017-18 to 2020-21

(₹ in lakh)			
Sl. No.	Particulars	Name of firms	Amount
1.	Printing of Guidelines, Identity Cards and Booklet/Brochure	M/s Baba Enterprises	41.35
2.	Broadcasting of advertisement at Radio at Itanagar 90.8 FM	Tarhuk Samaj	109.40
3.	Stationeries	Various Agencies	151.88
4.	Honorarium (Nodal Officers, CDPOs and Dealing Assistant/Computer Operator)	Not Applicable	135.89
Total			438.52

Source: Departmental records

It could be seen from the table above that the Department incurred an expenditure of ₹1.36 crore on payment of honorarium to ‘Nodal Officer, CDPOs and Dealing Assistant/Computer Operator’, which was expended in violation of the guidelines.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) stated that NSAP schemes were implemented through the employees of other Departments *i.e.* Deputy Director-cum-Nodal Officers & CDPOs from Women and Child Development Department (WCD). Hence, honorarium was paid to ensure that the scheme had been implemented effectively.

However, the reply of the Department is not acceptable as Section 7.3.1(A) of NSAP guidelines prohibits payment of honorarium to functionaries already engaged by the government.

2.4.10 Programme Implementation

2.4.10.1 Delay in payment of Pension

As per Section 3.6.3(viii) of the Scheme Guidelines, it is to be ensured that the pension and benefits are disbursed to the beneficiaries preferably on regular monthly basis as far as possible, if not done already it has to be achieved in the shortest possible time.

During Audit of six sampled districts, it was noticed that the pension for all the three sub-schemes (IGNOAPS, IGNDPS and IGNWPS) was never paid on regular monthly basis. All the disbursements were made in lump sum once a year instead of regularly, on monthly basis. Even if the last day of the financial year is taken as the last due date of payment, it was noticed that there were delays in payment of pension ranging from 76 to 1,278 days. The details are shown in **Table 2.57**.

Table 2.57: Details of delay in disbursement of Assistance

Financial Year	Share	Due date of payment	Date of payment to the beneficiaries	Delay (In days)
2017-18	Central	31-03-2018	28-10-2020 to 29-09-2021	942 to 1278
2017-18	State	31-03-2018	15-06-2018 to 30-09-2020	76 to 914
2018-19	Central	31-03-2019	19-07-2021 to 23-07-2021	841 to 845
2018-19	State	31-03-2019	04-12-2019 to 04-11-2020	248 to 584
2019-20	Central	31-03-2020	Not paid	NA
2019-20	State	31-03-2020	Not paid	NA
2020-21	Central	31-03-2021	Not paid	NA
2020-21	State	31-03-2021	15-09-2021 to 31-03-2022	168 to 365

Source: Departmental records

This had affected the scheme objective of providing timely a basic level of financial support to the eligible beneficiaries.

The Department during the Exit conference (23 August 2022) and its reply (31 August 2022) stated that regular monthly disbursement of assistance could not be made because of late receipt of funds from GoI/ GoAP making it not feasible to make monthly disbursement.

2.4.10.2 Non-payment of pension to approved beneficiaries

As per Section 3.1.3 of the Guidelines, it is incumbent on the authorised officials to reach out to potential beneficiaries on an ‘out today’ approach and provide assistance to get the relevant records. Also, support should be provided to get the requisite certificates from the authorities concerned.

During Audit of six sampled districts, it was noticed that out of 75,841 approved cumulative beneficiaries, there were 22,126 cumulative beneficiaries (18,363 beneficiaries for IGNOAPS, 2,430 beneficiaries for IGNWPS and 1,333 beneficiaries for IGNDPS) who were approved by the Sanctioning Authority but were not paid assistance by the Pension Disbursing Authority *i.e.* District Nodal Officer. This had resulted in deprivation of pension amounting to ₹31.46 crore.

The Department during the exit conference (23 August 2022) stated that it will collect information from the District Nodal Officers and examine the matter and take appropriate action. However, in its reply (31 August 2022) the Department accepted the Audit observation and stated that such cases had occurred because the approved beneficiaries (22,126 numbers) could not submit their documents like ‘Aadhaar, Death Certificate, Disability Certificate, Birth Certificate, BPL Certificate, Bank Account *etc.*’ which are mandatory in PFMS mode of payment. Therefore, they could not be paid. However, it was also stated that those beneficiaries who have not been paid pension will be paid on submission of the required documents.

The reply of the Department is not acceptable as Section 3.1.3. of the Guidelines clearly state that it is the duty of the Department to arrange the relevant documents for the beneficiaries. However, the Department did not arrange the relevant documents of 22,126 cumulative beneficiaries which resulted in them being deprived of pension amounting to ₹31.46 crore.

2.4.10.3 Unauthorised expenditure

As per Section 3.2.1 of the Scheme Guidelines, every state shall designate “Sanctioning Authority” at the appropriate level. The Sanctioning Authority will convey approval to the applicant in the form of a Sanction Order. Once a beneficiary is sanctioned approval, his/ her name continues to remain in the approved list unless it is deleted due to death / migration / above BPL or any other ineligibility condition specified in the Guidelines. The Sanctioning Authority for NSAP in Arunachal Pradesh is the Director, SJETA, GoAP.

The sanctioning and issue of sanction order is done by “Sanctioning Authority” and disbursement is done by the “Pension Disbursing Authority (PDA)”. The “Pension Disbursing Authority (PDA)” is the District Nodal Officer.

During Audit of six sampled districts, it was noticed that out of the 66,405 cumulative beneficiaries paid assistance, 18,432 beneficiaries (IGNOAPS-15,567: IGNWPS-1,745 and IGNDPS-1,120) were from outside the approved list, for whom sanction was not accorded by the competent authority but were paid assistance.

This resulted in unauthorised expenditure amounting to ₹25.72 crore. The details are shown in *Appendix-2.22*.

The Department during the exit conference (23 August 2022) stated that it will collect information from the District Nodal Officers and examine the matter and take appropriate action. In its reply (31 August 2022), the Department accepted the Audit observation and stated that both the cases above are connected. It was stated that since the beneficiaries were disqualified for want of records, therefore, the assistance was paid to beneficiaries from outside the approved list (18,005 numbers). It was stated that the beneficiaries out of approved list are also genuine and needy (Old aged, disabled or widowed persons) who could submit the required documents.

However, the reply of the Department is not acceptable as payment of assistance to beneficiaries from outside the approved list, by depriving genuine beneficiaries who were approved by the competent authority, is highly irregular.

2.4.10.4 Overpayment of pension

For IGNOAPS, the eligible age is 60 years and the pension is ₹200 per month. After attaining the age of 80 years, the beneficiary will get ₹500 per month. Further, GoAP provides an additional assistance of ₹1,300 per month upto 79 years and ₹1,500 per month for those beneficiaries who have attained the age of 80 years and above. Thus, the total pension receivable (both Central and State share) under IGNOAPS is ₹1,500 per month (60 to 79 Years) and ₹2,000 per month (80 years and above).

During Audit of six sampled districts it was noticed that the Department paid pension to 17 beneficiaries in the 60 to 79 years age group at the rate payable to beneficiaries aged 80 years and above. Thus, the total payment of ₹41,700 (₹3,300 for Central share + ₹36,400 for State share) to the beneficiaries was irregular. The details are shown in *Appendix-2.23*.

The Department during the Exit conference (23 August 2022) and its reply (31 August 2022) accepted the audit observation and stated that it will introduce necessary internal controls to ensure that such irregularities do not occur in future.

2.4.10.5 Short payment of pension

During Audit of six sampled districts it was noticed that under IGNOAPS, the Department paid pensions to 849 beneficiaries (187 Beneficiaries from Central share + 662 Beneficiaries from State share) at the rate of ₹1,500 per month although they had qualified for higher rate of ₹2,000 per month on attainment of 80 years of age.

This resulted in short payment of pension to 849 beneficiaries amounting to ₹25.72 lakh (₹ 9.93 lakh for Central share + ₹15.79 lakh for State share). The details are shown in *Appendix-2.24 (A & B)*.

The Department during the exit conference (23 August 2022) stated that it will look into the matter and take corrective measures, if needed. It was also added that once uploading of data is completed, the internal control mechanism will be strengthened and closely monitored.

Recommendation: The Department may strengthen the monitoring mechanism so as to ensure that eligible beneficiaries are not deprived of their full entitlement.

2.4.10.6 Payment of more than one pension to a beneficiary

During Audit of six sampled districts it was noticed that 263 beneficiaries were paid multiple pensions under different sub-schemes. If the lesser amount⁷⁰ is taken, an excess payment of ₹36.26 lakh was noticed. These beneficiaries were given pension multiple times (ranging between two and eight times). These beneficiaries were identified based on the similarity in the 'Names of the beneficiaries, Bank Account Number, IFSC Code and Aadhaar Card Number'. The details are shown in **Appendix-2.25**.

While accepting the facts, the Department stated (31 August 2022) that the discrepancy occurred due to non-updation of data, hence, periodical updation of beneficiary data would be made. The Department also stated that it would direct the District Nodal Officers to carry out strict verification so that such cases do not occur in future.

However, Audit scrutiny revealed that Department had not taken (07 June 2023) any action with regard to payment of multiple pensions. Thus, the Department reiterated its earlier reply that it would direct the District Nodal Officers to carry out strict verification so that such cases do not occur in future (05 July 2023) and no action was taken to effect recovery of the excess payment of pension.

Recommendation: The Department may strengthen monitoring mechanism to cross verify the eligibility of assistance to a beneficiary at different levels, to avoid duplicity.

2.4.10.7 Payment of pension after death of beneficiary

As per Section 5.2.9 of NSAP guidelines, a pensioner's pension may be discontinued due to death /migration /crossing BPL or any other reason and the pension payment should be stopped accordingly. Further, Gram Panchayats/ Municipalities shall report every case of death of pensioner to the designated Sanctioning Authority. Non-reporting of death leads to continuation of pension even after the death of the beneficiary leading to irregular payment of pension.

Audit noticed that the Department did not involve the Gram Panchayats/ Municipalities and Local NGOs in any way. Therefore, there was no mechanism/procedure for reporting of death cases. As such even a single case of death was not reported.

During Audit of six sampled districts it was noticed that 16 beneficiaries whose names were in the approved list had already died but their names continued to feature in the beneficiary list. During the period from 2017-18 to 2020-21, these beneficiaries were paid an amount of ₹7.33 lakh in their bank accounts. Their death was reported to the Audit team

⁷⁰ Under Central Share IGNOAPS beneficiaries were paid ₹2,200 per annum, IGWPS and IGNDPS beneficiaries were paid ₹3,300 and ₹2,700 per annum respectively. Under State Share IGNOAPS beneficiaries were paid ₹15,600 per annum, IGWPS and IGNDPS beneficiaries were paid ₹20,400 per annum

by the fellow beneficiaries. However, the death certificates or the exact date of death could not be ascertained. The details are shown in *Appendix-2.26*.

Out of 54,652 individual beneficiaries, survey was done for only 307 beneficiaries. Thus, the cases of dead beneficiaries getting financial assistance may be much higher. The State Government should verify such cases and take necessary action to remove cases of dead beneficiaries.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) stated that the matter will be taken very seriously and it will instruct the District Nodal Officers to strictly check and update the beneficiary data. It was also stated that, such negligence will not occur in future.

2.4.10.8 Cash payment of Assistance

As per Sections 4.5.2 and 4.5.4 of NSAP guidelines, to ensure efficiency and regular transfer, payment into the bank account/ post office account or through electronic money order is preferred. Payment of assistance in cash to beneficiaries should be adopted only if other modes are not workable after following measures prescribed in the NSAP guidelines. Payment will be disbursed in public meetings on a specific day which is widely publicised. The list of beneficiaries must be displayed at the place of disbursement for information of general public. The name of the beneficiary should be announced in the Gram Sabha/ Ward Committee/ Area Sabha meetings in the presence of all members. Further, the cash disbursement process should be verified specifically in Social Audit.

Audit noticed that for year 2018-19, the 'District Nodal Officer, Upper Subansiri' paid an amount of ₹10.00 lakh to 50 beneficiaries in cash under NFBS. It was directly distributed to the beneficiaries after obtaining an Actual Payee Receipt. However, none of the measures prescribed above were followed. It was also noticed that biometric authentication of the beneficiary was not obtained while making payments in cash.

Thus, payment of assistance in cash without following the prescribed procedure not only resulted in violation of Guidelines but also raised doubts as to on whether the beneficiaries actually received the assistance as claimed by the Department.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) stated that the concerned District Nodal Officer will be asked to explain the reason(s) behind cash payment. Further, it was also stated that such cases will not occur in future. Thus, non-conduct of periodic review of the scheme by the nodal Department resulted in the above lapse.

2.4.10.9 Inclusion of ineligible beneficiary (Over/under age, income group, etc.)

The eligibility criteria under various sub-schemes of NSAP is shown in **Table 2.58**.

Table 2.58: Eligibility criteria under various sub-schemes of NSAP

Sl. No.	Name of the Sub-scheme	Eligibility criteria (Age)
1.	IGNOAPS	BPL and 60 years and above
2.	IGNWPS	BPL widow and 40 years and above
3.	IGNDPS	BPL, 18 years and above and disability percentage 80 per cent and above
4.	NFBS	BPL, Death of sole-breadwinner at the age between 18 to 59 years

Source: Departmental records

Under IGNOAPS and IGNWPS Central share was paid for 11 months, and under IGNDPS it was paid for 09 months (for 2017-18). After that no assistance was provided in the following years. Further, State share was paid for three years (2017-18, 2018-19 and 2020-21). However, it was not paid for the year 2019-20. During Audit of six sampled districts, the following observations were noted:

- Under IGNOAPS, 482 persons below the age of 60 years were provided assistance. This resulted in payment to ineligible beneficiaries amounting to ₹76.96 lakh. Details are shown in **Table 2.59**.

Table 2.59: Details of ineligible payment under IGNOAPS

(in ₹)

Year	No. of beneficiaries less than 60 years under IGNOAPS				
	Beneficiaries	Share	Rate	Months	Amount
2017-18	300	Central	200.00	11	6,60,000.00
2017-18	300	State	1,300.00	12	46,80,000.00
2018-19	120		1,300.00	12	18,72,000.00
2020-21	31		1,300.00	12	4,83,600.00
Total	482	-	-	-	76,95,600.00

Source: Departmental records

- Under IGNWPS, 163 persons below the age of 40 years were provided assistance. This resulted in payment to ineligible beneficiaries amounting to ₹17.52 lakh. Details are shown in **Table 2.60**.

Table 2.60: Details of ineligible payment under IGNWPS

(in ₹)

Year	No. of beneficiaries less than 40 years under IGNWPS				
	Beneficiaries	Share	Rate	Months	Amount
2017-18	92	Central	300.00	11	3,03,600.00
2017-18	36	State	1,700.00	12	7,34,400.00
2018-19	19		1,700.00	12	3,87,600.00
2020-21	16		1,700.00	12	3,26,400.00
Total	163	-	-	-	17,52,000.00

Source: Departmental records

- Under IGNDPS, 179 persons below the age of 18 years were provided assistance. This resulted in payment to ineligible beneficiaries' amounting to ₹29.08 lakh. Details are shown in **Table 2.61**.

Table 2.61: Details of payment to ineligible beneficiaries under IGNDPS

(in ₹)

Year	No. of beneficiaries less than 18 years under IGNDPS				
	Beneficiaries	Share	Rate	Months	Amount
2017-18	42	Central	300.00	9	1,13,400.00
2017-18	119	State	1,700.00	12	24,27,600.00
2018-19	10		1,700.00	12	2,04,000.00
2020-21	8		1,700.00	12	1,63,200.00
Total	179	-	-	-	29,08,200.00

Source: Departmental records

- Under NFBS, the Department disbursed an amount of ₹20,000 per beneficiary under Central share, as one-time assistance to 519 beneficiaries during 2017-18 and 2018-

19. Out of 519 beneficiaries, details of 272 beneficiaries did not have either the name of the bread winner or the age of the deceased. These beneficiaries were paid an amount of ₹54.40⁷¹ lakh, without having the required documents to prove their eligibility.

- During Audit of the six sampled districts it was seen that there were 1,162 approved individual beneficiaries under IGNDPS in these districts. Out of 1,162 beneficiaries, 294 beneficiaries had been declared as disabled with disability level upto 80 per cent and above. Further, the Department could not furnish disability certificates for 833 beneficiaries. However, there were 35 beneficiaries whose disability level was below 80 per cent. These 35 ineligible beneficiaries were paid ₹17.35 lakh. Details are shown in Table 2.62.

Table 2.62: IGNDPS beneficiaries with disability level below 80 per cent

(in ₹)

Year	Share	No. of Beneficiaries below 80 per cent disability	Rate per month	Years	Months	Total Amount
2017-18	Central	19	300.00	1	11	62,700.00
2017-18	State	19	1,700.00	3	12	11,62,800.00
Sub-total		19	-	-	-	12,25,500.00
2018-19	State	9	1,700.00	2	12	3,67,200.00
2020-21	State	7	1,700.00	1	12	1,42,800.00
Total		35	-	-	-	17,35,500.00

Source: Departmental records

A total amount of ₹1.95 crore has been paid to ineligible beneficiaries which could have been utilised for the benefit of deserving eligible beneficiaries.

The Department during Nodal the exit conference (23 August 2022) stated that it is not aware of these inconsistencies and stated that it will look into the matter and take corrective measures, if needed. However, in its reply (31 August 2022) the Department accepted all the Audit findings and assured that the District Officers will be instructed to strictly follow the eligibility criteria during selection of beneficiaries, and it was also stated that no further mistake would be repeated in future.

2.4.10.10 Short sanction and disbursement of assistance under National Family Benefit Scheme

As per Section 2.2 of NSAP guidelines, financial assistance of ₹20,000 is provided to the family of the bereaved household in the event of death of sole breadwinner whilst he/she is more than 18 years and less than 60 years of age. Additionally, Section 2.3.1 of NSAP guidelines strongly urges to provide at least an additional equivalent to the assistance provided by the GoI so that beneficiaries can get a decent level of financial assistance.

During 2017-18 to 2020-21, the GoI allocated an amount of ₹71.28 lakh for 2017-18 and ₹35.64 lakh for 2018-19 under NFBS. However, no allocation of funds was made for the years 2019-20 and 2020-21. It was seen that a total of 519 Beneficiaries were identified (346 Beneficiaries for 2017-18 and 173 Beneficiaries for 2018-19). However, out of

⁷¹ 272 beneficiaries x ₹20,000 per beneficiary

funds amounting to ₹1.07 crore, only ₹72.12 lakh (including ₹3.12 lakh administrative expenditure) was disbursed to 345 beneficiaries. Funds amounting to ₹34.80 lakh, were returned to the State Nodal Officer. Thus, 174 beneficiaries were deprived of benefit of the scheme even though funds were available. The details are given in **Appendix-2.27**.

Further, it was also seen that the GoAP did not make any contribution towards NFBS. This resulted into short allocation of ₹1.04 crore (₹20,000 x 519 beneficiaries) under NFBS.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) stated that GoAP had decided to provide State share assistance to only three sub-schemes of NSAP, viz. IGNOAPS, IGNWPS and IGNDPS. Regarding refund of NFBS Fund by District Nodal Offices, the Department stated that it will be re-disbursed to the identified beneficiaries. The reasons for returning of funds were stated to be due to non-arrangement of relevant documents in time by the beneficiaries. However, the Guidelines clearly state that it is the duty of the Department to arrange relevant documents for beneficiaries.

2.4.10.11 Non-disbursement of assistance in spite of availability of funds

During Audit of six sampled districts, it was noticed that in two Districts (East Siang and Namsai) for the year 2017-18 (under Central share), 538 beneficiaries were not paid assistance in spite of availability of funds amounting to ₹19.75 lakh. The District Nodal Officers were not aware of non-payment of assistance to the beneficiaries. The details are shown in **Table 2.63**.

Table 2.63: Details of the amount yet to be disbursed to the Beneficiaries

(₹ in lakh)				
Name of the District	Year	Name of the Components / sub-Schemes	Number of Beneficiary	Amount (yet to be disbursed)
East Siang	2017-18	IGNOAPS 80 & above years	88	4.84
	2017-18	IGNDPS	136	3.67
	2017-18	IGNWPS	274	9.04
Namsai	2017-18	IGNOAPS 80 & above years	40	2.2
Total			538	19.75

Source: Departmental records

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) accepted the observation and agreed to instruct the District Nodal Officers to disburse the pension as soon as possible.

Recommendation: Steps may be taken to disburse the assistance at the earliest while ensuring that such cases do not occur in future.

2.4.10.12 Idle expenditure

The Department incurred an expenditure of ₹41.35 lakh on printing of Identity cards (1,00,000 Nos), Guidelines (5,000 Nos) and Booklets (7,000 Nos) for NSAP on 15 October 2018. However, during Audit it was noticed that only 23,400 Nos. of Identity cards have been issued till now (as on June 2022). The remaining items valued at ₹35.50 lakh are still lying idle at the Directorate. The details are shown in **Table 2.64**.

Table 2.64: Details of Items lying Idle

Sl. No.	Particulars	No. of copies	Issued	Balance	Rate	Balance Amount (in ₹)
1.	I-Cards	1,00,000	23,400.00	76,600	25.00	19,15,321.72
2.	Guidelines of NSAP	5,000	0.00	5,000	249.99	12,49,974.00
3.	Booklet	7,000	0.00	7,000	55.00	3,84,998.60
Total		1,12,000.00	23,400.00	88,600.00	-	35,50,294.32

Source: Departmental records

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) stated that the items will soon be distributed to the district offices. However, on being enquired it was found that the Department is yet to distribute the items (as on 30 June 2023).

2.4.11 Monitoring and Evaluation

2.4.11.1 Non-conduct of State Level Committee meetings

As per section 6.1.2 of the Guidelines, the State Level Committee should be headed by the Chief Secretary or Additional Chief Secretary nominated by Chief Secretary and should include (a) Secretaries of Departments concerned such as Finance, Rural Development, Panchayati Raj, Municipal Affairs, Social Welfare, Health, Revenue, Women and Child Development, Minorities, SC, ST, etc. (b) two representatives of Banks/Post Office, (c) Four Chairpersons, two each of Zilla Parishad and Municipalities, (d) Collectors from three districts in rotation and (e) four independent experts and representatives of NGOs. This Committee will be responsible for implementation, monitoring and evaluation of the programme and matters concerned therewith. State Committees should meet at least twice a year. Also, a Vigilance & monitoring committee was to be formed at the State and District levels for review of implementation of the programme.

However, it was noticed that from 2017-18 to 2020-21, State Level Committee meeting has not been convened. Further, State Level vigilance & monitoring committee has not been formed.

Instances like (i) non disbursement of pension in time (ii) Idling of funds amounting to ₹6.00 crore, (iii) Non-submission of UC (for State share) (iv) Delayed submission of UC (Central Share) (v) Inflation of UC (Central Share) and (vi) Assistance paid to dead beneficiaries could be attributed to non-monitoring by the State Level Committee.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) stated that there is a State Level Committee with the Chief Secretary as the Chairman. However, it accepted that no meeting has been conducted by the Committee till now. The Department stated that efforts will be made to conduct SLC meeting at the earliest. Besides, the Department also stated that it will consider replacing the members who find it difficult to attend the SLC meeting.

2.4.11.2 Adequacy of monitoring by District Level Committee

As per Section 6.1.3 of NSAP guidelines, District level Committee may be headed by the Chairperson Zilla Parishad / Chief Executive Officer, Zilla Parishad / District Collector and should include (a) District level officials of Departments concerned (b) four representatives

from among Chairpersons of 25 *Gram /Intermediate Panchayats* and Municipalities and (c) four independent experts and representatives of NGOs working in this area. The District Level Committee will be responsible for implementation, monitoring and evaluating the programme within the district and for matters concerned therewith. They should submit their reports to the State Nodal Department on a monthly basis.

However, it was noticed that District Level Committees and District Level Vigilance & monitoring committees were not constituted in any of the six sampled districts.

Non-monitoring by District Level committees resulted in (i) non-constitution of Special Verification Teams for confirmation, addition or deletion of beneficiaries, (ii) Non-involvement of Gram Panchayat/ municipalities & Local NGOs in identification of beneficiaries, (iii) Bonafide beneficiaries being deprived of pension and (iv) non-submission of MPR among others.

The Department during the exit conference (23 August 2022) stated that Vigilance & Monitoring committees will be constituted at District level. Further, the Department in its reply (31 August 2022) stated that a committee comprising 'Deputy Commissioner, Deputy Director (ICDS)/ CDPOs-cum-District Nodal Officer (NSAP) and Zilla Parishad members' has been constituted as District Level Committee for verification, identification of beneficiaries and periodic updation of the beneficiary data. The Department furnished a GoAP notification in support of its claim. However, after scrutiny it was noticed that the document furnished by the Department was a general notification issued by the GoAP for constitution of State Level Committee and District Level Committees.

2.4.11.3 Adequacy of Monitoring through the State Nodal Department

As per Section 6.3 of NSAP guidelines, a nodal Department was to be identified for coordinating with the different implementing Departments for periodic review and submission of physical and financial progress reports under different schemes of NSAP to Government of India. The Monthly/Quarterly Progress Reports have to be furnished online by the State Nodal Department by 15th of every month after obtaining reports from the district and field offices in a regular manner.

However, it was noticed that the State Nodal Department (Social Justice Empowerment and Tribal Affairs) did not have any mechanism for conducting periodic review of the scheme. The State Nodal Department could not obtain Monthly/ Quarterly Progress Reports from the District Nodal Offices (ICDS).

Inadequate monitoring through the State Nodal Department resulted in non-conduct of social Audit, non-formation of Special Verification Team and approved beneficiaries being deprived of pension and at the same time non-approved beneficiaries being paid assistance.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) accepted the observation and stated that it will introduce a system of periodic review of the scheme and also instruct the District Nodal officers to do the same.

2.4.11.4 Weaknesses in Internal Control

Some of the weaknesses noticed in Internal Control during SSCA of NSAP are:

- The Department did not have a Management Information System (MIS) for NSAP in Arunachal Pradesh in violation of Paragraph 5.2 of NSAP Guidelines.
- Social Audit/Internal Audit was not conducted as envisaged in Paragraph 6.10 of NSAP Guidelines.
- The Department did not have any staff of its own at the district level. It was using the personnel of ICDS Department for implementation of the scheme. It was seen that documents submitted during application stage (BPL Card, Disability, Birth & Death Certificate, ST Certificate *etc.*) were not maintained properly. Most of the documents were either lost or damaged. Thus, there was lack of proper maintenance of records.
- Non-involvement of members of Gram Panchayat/Municipalities and representatives of Non-Government Organisations (NGOs) in identification of potential beneficiaries.

The Department during the exit conference (23 August 2022) and its reply (31 August 2022) accepted that monitoring of the scheme needs to be strengthened. Further, the Department agreed to introduce a quarterly MIS. Though no internal audit has been conducted till now, the Department stated that plans are in pipeline to have social audit soon. The Department also agreed to constitute Special Verification Teams.

2.4.12 Outcome of beneficiary Survey

Audit teams conducted survey of 307 beneficiaries (out of 54,652 beneficiaries approved by the Department) belonging to different Schemes of NSAP (IGNOAPS: 237 beneficiaries; IGWPS: 55 beneficiaries; IGNDPS: 14 beneficiaries and NFBS: one beneficiaries) along with departmental representatives.

Out of 307 beneficiaries interviewed, 135 beneficiaries were from approved list and 172 beneficiaries were from outside the approved list. Further, out of 307 beneficiaries, 180 beneficiaries were paid assistance during 2017-18: 183 beneficiaries were paid assistance during 2018-19 and 193 beneficiaries were paid assistance during 2020-21. No assistance was paid during 2019-20 due to non-sanction of funds. The details are given in **Appendix-2.28**.

During Beneficiary survey it was noticed that 16 beneficiaries whose names were in the approved list had already died but their names continued to feature in the beneficiary list. Their death was reported to the Audit team by the relatives of the beneficiaries.

287 beneficiaries made a request to increase the amount of pension. One of the grievances pointed out by every beneficiary was to regularise payment of the pensions on either monthly basis or half year basis. They also requested for arrear payment of pension for 2019-20 (State share) and increase the amount of pension.

Under Diyun Block in Changlang District, two Gram Panchayats (GPs) Balupothar and Sompoi were initially selected for Beneficiary survey (by sampling). However, it was noticed that there was not even a single beneficiary in these two GPs. Further, under Nampong block in Changlang district, two GPs (Mossang Putok and Machum Rima) were sampled for Beneficiary survey. The two GPs consisted of ten villages⁷². However, under these ten villages there were total seven beneficiaries of NSAP. Thus, the selection of beneficiaries by the Department was doubtful.

⁷² 1. Mossang Putok, 2. Changlai, 3. Lungtang, 4. Tempun I, 5. Tempun II, 6. Kenyam, 7. Machum I, 8. Machum II, 9. Rima and 10. Rima IV

The Department stated (31 August 2022) that it will look into the observations made by Audit very seriously and instruct the District Nodal Officers to update the beneficiary list regularly.

On the request for increase in monthly pension amount, it was stated that the matter is decided by the Central/ State Government and that the Department could not make any comments in this regard.

Recommendation: The Department may promptly address the grievances pointed out by the beneficiaries and pay pension amount on regular monthly basis.

2.4.13 Conclusions and Recommendations

2.4.13.1 Conclusions

The Department did not identify all potential eligible beneficiaries in the State. There was serious gap in digitisation of beneficiary list and data of only 6,294 beneficiaries out of the 54,652 beneficiaries identified in the state could be uploaded in the NSAP portal. Thus no funding had been received for the beneficiaries for whom data was not uploaded since 2018-19 from when the Ministry made uploading mandatory. Gram Panchayats/ Municipalities were not involved in the identification of beneficiaries. There was no Grievance Redressal Mechanism put in place and no Social Audit was conducted during the period covered by audit. Special Verification Teams were not constituted to update the beneficiary status leading to payment of pension to ineligible and deceased beneficiaries. There was deficient evaluation and poor monitoring.

2.4.13.2 Recommendations

- *The Department may ensure participation of Gram Panchayats/ Municipalities in identification of new beneficiaries in the State*
- *The Department may fix responsibility on the erring officials for depriving benefits to the eligible beneficiaries*
- *The Department may separately earmark funds for IEC activities*
- *The Department may fix responsibility on the erring officials for non-updation of beneficiary details in the NSAP Portal*
- *The Department may take immediate steps to complete the seeding of the bank account of the remaining beneficiaries with Aadhaar at the earliest and fix responsibility on the erring officials for the lapses*
- *The Department may make efforts to submit the correct UCs to the sanctioning authority and before due date so as to avoid non-release of fund in future*
- *The Department may strengthen the monitoring mechanism so as to ensure that eligible beneficiaries are not deprived of their full entitlement*
- *The Department may strengthen monitoring mechanism to cross verify the eligibility of assistance to a beneficiary at different levels, to avoid duplicity.*
- *Steps may be taken to disburse the assistance at the earliest while ensuring that such cases do not occur in future*
- *The Department may promptly address the grievances pointed out by the beneficiaries and pay pension amount on regular monthly basis.*

Social Justice, Empowerment & Tribal Affairs and Education Departments
2.5 Pre and Post Matric Scholarship Schemes Belonging to Scheduled Tribes Students of Arunachal Pradesh.

An SSCA of “Pre and Post-Matric Scholarship Schemes Belonging to Scheduled Tribes Students of Arunachal Pradesh” was conducted covering the period from 2017-18 to 2021-22 involving test check of records of Social Justice & Empowerment and Tribal Affairs Department and Education Department covering 99 institutes (47 for pre-matric and 52 for post-matric) in six selected districts. The SSCA on implementation of the Scheme in Arunachal Pradesh brought out the following significant findings.

Highlights:

- *No database of universe of potential beneficiaries was maintained due to which there was wide variation in estimated number of beneficiaries’ vis-à-vis actual number of beneficiaries.*
(Paragraphs 2.5.2.1 and 2.5.6.1)
- *There was no uniformity from year to year in timeline for receipt and processing of applications at institute and state level.*
(Paragraphs 2.5.2.2 and 2.5.6.2)
- *A total balance amount of ₹1.90 crore (₹1.71 lakh for pre-matric scholarship and ₹1.88 crore for post-matric scholarship) was still lying unutilised in the scheme account maintained by Social Justice & Empowerment and Tribal Affairs (SJETA) Department. The balance fund was still not transferred to the current scheme nodal departments (Secondary Education Department for pre-matric and Higher & Technical Education Department for post-matric).*
(Paragraphs 2.5.3.1 and 2.5.7.1)
- *There were delays in payment of scholarships to the students ranging from one to 12 months for pre-matric and from three to 13 months for post-matric.*
(Paragraphs 2.5.4.2 and 2.5.8.2)
- *Parents/Guardians of 284 beneficiaries (111 beneficiaries of pre-matric and 173 of post-matric) were serving/ retired Government employees, rendering compliance with income threshold doubtful.*
(Paragraphs 2.5.4.4 and 2.5.8.5)
- *During 2019-20 and 2020-21, an amount of ₹6.00 lakh was disbursed to 22 post-matric beneficiaries whose parental income exceeded the prescribed limit of ₹2.50 lakh per annum.*
(Paragraph 2.5.8.4)
- *An excess payment of ₹10.12 lakh (₹9.75 lakh for pre-matric and ₹0.37 lakh for post matric) was made to 383 students (346 for pre-matric and 37 for post-matric) of 40 institutes (31 for pre-matric and 09 for post-matric) due to disbursement of scholarship at hosteller’s rate instead of day scholar’s rate.*
(Paragraphs 2.5.4.5 and 2.5.8.7)

- ***During 2018-2021, against the total enrolment of Scheduled Tribes students in 03 institutes being 834, the actual number of beneficiaries was 1,284. Thus, the total number of beneficiaries had exceeded the enrolment by 450 (54 per cent), which ranged from 13 (06 per cent) to 114 (71 per cent) in individual institutes.***
(Paragraph 2.5.8.6)
- ***During 2019-2021, 169 beneficiaries availed benefit from multiple schemes i.e. a total amount of ₹46.45 lakh from post-matric scholarship scheme and ₹1.59 crore from other schemes.***
(Paragraph 2.5.8.9)
- ***No committee/mechanism had been formed/created at State and district level for periodic review of the progress of the scheme. Further, no Social Audit of the scheme implementation was conducted during 2017-21. No specific outcome indicators were fixed by the State Government for measuring the impact of the scheme.***
(Paragraphs 2.5.5.1 and 2.5.9.1)
- ***Grievances redressal mechanism for the scheme neither existed at District level nor at State level. The Department did not redress the issue relating to non-disbursal of scholarship for the approved 4,730 beneficiaries (1,837 for pre-matric and 2,893 for post-matric).***
(Paragraphs 2.5.5.4 and 2.5.9.4)

2.5.1 Introduction

Government of India (GoI) operates post-matric scholarship schemes *w.e.f.* 1944-45 and pre-matric scholarship schemes *w.e.f.* 2012-13 for students belonging to economically weaker sections among Scheduled Tribes (STs). The objectives are increasing enrolment, arresting dropout rate during education and helping students in completing their education. Pre and Post-Matric Scholarship Schemes for STs are being administered by Ministry of Tribal Affairs (MoTA) and implemented in the States by respective State Government.

Pre-Matric Scholarship Scheme aims to provide/supplement financial assistance to support parents of children belonging to STs for education of their wards studying in class IX and X. On the other hand, Post-Matric Scholarship Scheme aims to provide/supplement financial assistance to support parents of children belonging to STs for education of their wards studying at post-matriculation stage to enable them to complete their education.

ST students whose parents'/ guardians' income from all sources do not exceed ₹2.00 lakh (*w.e.f.* 2012-13) and ₹2.50 lakh (*w.e.f.* 2013-14) per annum respectively were eligible for scholarship under Pre and Post-Matric Scholarship scheme respectively. The income limit for Pre-Matric Scholarship scheme was revised from ₹2.00 lakh to ₹2.50 lakh from April 2020. The award once made was payable from the stage at which it was given to the completion of course subject to good conduct and regularity in attendance in every academic year. As per guidelines, the amount of scholarship was to be paid to beneficiaries through their accounts in post office/ banks.

In Arunachal Pradesh Pre-Matric Scholarship Scheme was first implemented during the Academic Session 2015-16 and Post-Matric Scholarship Scheme was first implemented

during the Academic Session 2012-13. From the Academic Session 2015-16 onwards both the schemes were implemented through the National Scholarship Portal (NSP) system. From 2015-16 onwards covering the period covered by the SSCA *i.e.*, 2017-18 to 2021-22 both pre and post-matric scholarship schemes were implemented through PFMS in a full-fledged DBT mechanism.

2.5.1.1 Organisational set-up and procedure for disbursement of scholarship

At the State Level the Schemes are implemented by SJETA up to 2018-19. From 2019-20 onwards the Commissioner in charge of Education, assisted by other officers, exercises overall control over the implementation of the schemes (Pre-Matric scholarship scheme by Secondary Education Department and Post-Matric scholarship scheme by Higher & Technical Education Department). The procedure followed by the Departments for identification and verification of eligible students for pre and post matric scholarships schemes is depicted in **Chart 2.22**.

Chart 2.22: Procedure for disbursement of scholarship



The scholarship amount is disbursed to the beneficiaries' bank account in DBT mode through PFMS.

2.5.1.2 Audit Objectives

The audit objectives were to assess each of the two scholarship schemes, whether:

- 1) the Scheme was planned efficiently to cover all the eligible beneficiaries and to exclude ineligible beneficiaries?
- 2) the overall Financial Management of the Scheme ensured timely availability and release of funds to the implementing agency for disbursal to the beneficiaries?
- 3) the Scheme was implemented effectively in a timely manner?
- 4) effective Control Mechanisms and robust IT Systems existed for monitoring the Scheme?

2.5.1.3 Scope of Audit and Coverage

The SSCA on the implementation of the Pre and Post Matric scholarship schemes in Arunachal Pradesh covered the period from 2017-18 to 2022-23. During the period, scholarship amounting to ₹491.21 crore (₹6.18 crore for pre-matric and ₹485.03 crore for

post matric) was disbursed to 1,93,264 (22,696 for pre-matric and 1,70,568 for post matric) beneficiaries/students.

- Six districts (*Papum Pare, East Siang, West Siang, East Kameng, Namsai and Changlang*) out of 25 districts in the State were sampled for the SSCA. Three districts⁷³ were sampled as they were the top three districts in the High-Risk (*i.e.* based on higher expenditure) district list and the remaining three districts⁷⁴ were sampled through Probability Proportional to Size Without Replacement (PPSWOR) method with size measure being the total ST population in the districts.
- Within the sampled districts 47 institutes for pre-matric scholarship and 52 institutes for post-matric scholarship were sampled through PPSWOR with size measure being the number of targeted beneficiaries/students for pre-matric and value of scholarship for post-matric schemes respectively.
- From the sampled institutes, out of 5,860 and 57,131 pre and post matric scholarship applications respectively, 1,040 applications for pre-matric scholarship and 1,385 for post-matric scholarship were sampled through simple random sampling without replacement (SRSWOR) method for detailed checking.
- Feedback obtained from 375 beneficiaries for pre-matric scholarship and 467 beneficiaries for post-matric was drawn from 86 institutes (41 institutes for pre-matric and 45 institutes for post-matric) chosen through SRSWOR method.

2.5.1.4 Audit Methodology

The SSCA commenced with an ‘Entry Conference’ held on 16 September 2021 with the Directors and the officials of the Social Justice & Empowerment and Tribal Affairs Department, Secondary Education Department and Higher & Technical Education Department wherein audit objectives, audit scope, audit methodology and audit criteria were discussed.

From January to July 2022, Audit conducted examination of records and analysis of the data of the concerned Departments namely, Social Justice & Empowerment and Tribal Affairs Department, Secondary Education Department and Higher & Technical Education Department collected along with survey of beneficiaries as per sample selection.

The audit evidence was collected through questionnaires and audit memos/queries issued to the Departments⁷⁵. The draft report was issued to the Departments on 03 August 2022. Audit findings were discussed with the Commissioner, Education Department, and officers of concerned Departments at an ‘Exit Conference’ held on 29 August 2022. The replies received from the Departments and deliberations of the exit conference have been suitably incorporated in the report.

2.5.1.5 Audit Criteria

The audit findings were benchmarked against the following audit criteria:

⁷³ Papum Pare, East Siang and West Siang

⁷⁴ East Kameng, Namsai and Changlang

⁷⁵ Social Justice & Empowerment and Tribal Affairs Department, Secondary Education Department and Higher & Technical Education Department

- 1) Guidelines of Centrally Sponsored Scheme of Pre-Matric Scholarship for Needy Scheduled Tribe Students Studying in Classes IX & X (Effective from 01 July 2012).
- 2) Guidelines of Scheme of Post-Matric Scholarship for students belonging to Scheduled Tribes for studies in India (applicable from 01 July 2010).
- 3) MoTA letter No. 19012/03/2017-Sch/Edu dated 20 December, 2019 regarding increase in the scholarship amount.
- 4) MoTA letter No 20014/52002-Education dated 23 May 2013 regarding upward revision of income criteria, specifying implementation and monitoring requirements of scheme.
- 5) Aadhaar linking letter No. 19012/01/2017-Edu/Scho dated 09 June 2017.
- 6) Central/ State Government Orders/Instructions for implementing, monitoring or evaluating the scheme.
- 7) PFMS/DBT related orders/instructions.

2.5.1.6 Acknowledgement

The Office of the Principal Accountant General, Arunachal Pradesh acknowledges the co-operation and assistance provided by SJETA and Education Departments, GoAP during conduct of this SSCA.

Audit Findings on Pre-Matric Scholarship Scheme

The findings of the SSCA on Pre-Matric Scholarship Scheme are discussed in the succeeding paragraphs.

2.5.2 Planning

Pre-Matric Scholarship Scheme was implemented in the State by the Secondary Education Department, Government of Arunachal Pradesh from 2019-20 onwards. The planning, in respect of Pre-Matric Scholarship Scheme for students belonging to STs, involved identification of universe of potential beneficiaries, development of mechanism to cover the potential beneficiaries in the scheme along with mechanism to weed out ineligible/ fraudulent applicants, awareness generation about the scheme, systematic and realistic assessment of requirement of funds for providing effective coverage to all eligible beneficiaries under the scheme *etc.*

Audit scrutiny in this regard led to the following audit observations in respect of planning:

2.5.2.1 Non-identification of universe of potential beneficiaries

The Departments did not maintain any database, of ST students list, potential beneficiaries, successful beneficiaries, drop-outs, *etc.* which could be used to arrive at, estimates for succeeding year. The estimates regarding number of eligible students for scholarship were prepared on *ad-hoc* basis without collecting any data from field offices or conducting any survey regarding eligible students under the schemes. Due to non-identification of universe of beneficiaries, there was wide variation in estimated number of beneficiaries' *vis-à-vis* actual number of beneficiaries as detailed in **Paragraph 2.5.2.3.**

The Department in its reply (29 August 2022) stated that applicants data were filtered through NSP based on predefined criteria as set by State Government and GoI. However, there is no mechanism to find out the universe of potential beneficiaries.

Recommendation: *The database of the beneficiaries may be maintained and updated periodically through proper verification, to ensure that amount is disbursed to the actual beneficiaries.*

2.5.2.2 Absence of specific timelines for processing of applications and scholarship disbursal

As per Section 11.1 of Pre-Matric Scholarship Scheme Guidelines (2012), the State Government will, at the appropriate time, suitably publicise the Scheme and invite applications by issuing an advertisement in local language, in the leading newspapers of the State and through their respective websites and other media outfits. The applicant should submit their completed application online in NSP before the last date prescribed for receipt of applications. The application including bank account details are verified, processed and approved. Scholarship for the approved beneficiaries is directly transferred to their bank accounts through PFMS. Timeline for processing of applications during 2017-23 is detailed in **Table 2.65**.

Table 2.65: Year wise timeline for processing of applications

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Invitation of online applications	03-10-2017	20-11-2018	04-11-2019	05-11-2020	28-09-2021	30-09-2022
Last date of submission of online application	30-11-2017	31-12-2018	16-12-2019	31-12-2020	30-11-2021	30-12-2022
Last date of verification of application at Institutional level	31-12-2017	10-01-2019	16-12-2019	15-01-2021	10-12-2021	15-01-2023
Last date of verification of application at State level	31-01-2018	31-05-2019	30-12-2019	22-01-2021	15-12-2021	31-01-2023

Source: Records of SJETA and Secondary Education Department

It can be seen from the **Table 2.65** that there was no uniformity from year to year in timeline for receipt and processing of applications at institute and state level. Audit noted that due to non-uniformity in timeline for receipt and processing of applications there were delays in disbursement of scholarship.

The Department in its reply (22 August 2022) stated that they do have timeline for processing and disbursement of scholarship.

The Department reply is not acceptable because timeline for invitation of applications, last date of submission of application and verification of applications by institutes, nodal Department and at NSP level changed every year, thereby promoting unpredictability to the intended beneficiaries about the timeline for processing of the applications.

Recommendation: *The Department may formulate uniform timelines for processing of applications by institutes, nodal Department and at NSP level.*

2.5.2.3 Shortcomings in preparation of Annual Demand

There was no effective mechanism in the State for preparing Annual Demand on a factual basis. In the absence of database of eligible students, the Department was not able to

ascertain coverage of students. The Department prepared the estimates on *ad-hoc* basis with 20 per cent anticipated increase from the previous financial year. During 2017-18 and 2018-19 the estimated number of beneficiaries was not added in the Annual Demand. In the absence of effective mechanism for preparing Annual Demand on factual basis there was variation between estimated number of beneficiaries' and actual number of beneficiaries as well as between fund demanded and actual expenditure as shown in **Table 2.66**.

Table 2.66: Estimated and actual position of beneficiaries and fund demand

Year	Number of beneficiaries			Fund demand (₹ in lakh)		
	Estimated	Actual	Difference	Estimated	Actual expenditure	Difference
Pre-Matric Scholarship Scheme for ST students						
2017-18	-	2255	-	126.07	53.74	72.33
2018-19	-	1846	-	0.00*	45.52	-
2019-20	2142	1979	163	61.59	49.65	11.94
2020-21	5849	5709	140	173.13	182.61	-9.48
2021-22	6800	5812	988	211.10	109.10	102.00
2022-23	6120	5252	868	286.34	177.17	109.17

Source: Records of SJETA and Secondary Education Department)

*No fund was demanded from GoI as the State had previous unspent fund.

During 2017-18, the difference between the fund demanded and actual expenditure was ₹72.33 lakh (57.37 per cent). Due to this wide variation, no fund was demanded during 2018-19. During 2020-21, against the estimated amount of ₹1.73 crore, the actual expenditure of ₹1.83 crore was ₹9.48 lakh (5.48 per cent) more than the estimated amount.

There was thus no institutional process for arriving at accurate estimates/plans for scholarships to be granted to eligible students in a particular year.

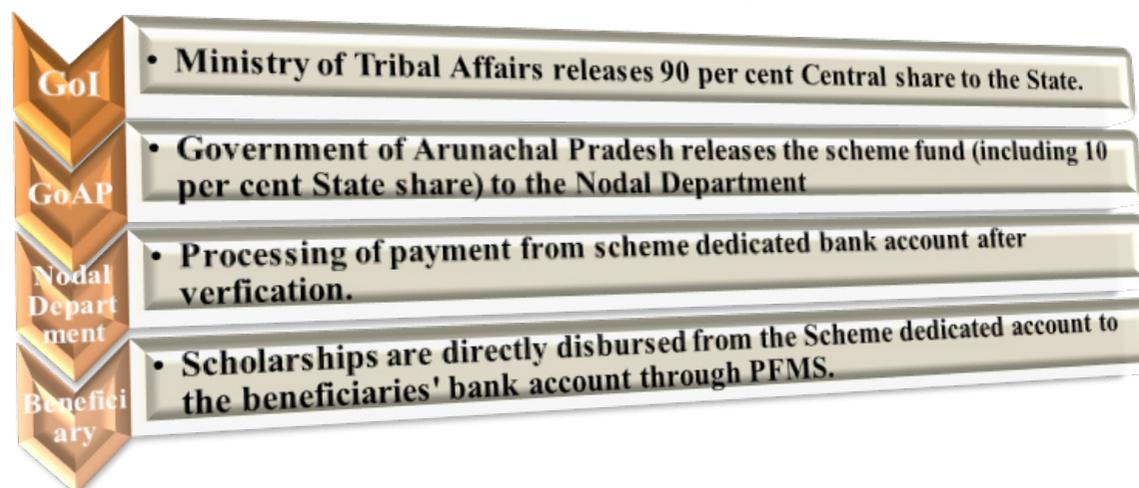
The Department stated (29 August 2022) that the Annual Demand was prepared with reference to the formats and Annexures as fixed by MoTA. The Department also stated that difference between the estimated figure and the actual expenditure was always bound to happen. This was unavoidable.

However, the department did not have a database of eligible students whereby it placed demands on an *ad hoc* basis with non-addition of estimated no. of beneficiaries during 2017-18 to 2018-19 leading to flawed demand projection. The claim of the Department with regard to inevitable difference is also not acceptable, as there was huge difference between the estimated amount and the actual expenditure during 2017-18, 2021-22 and 2022-23.

2.5.3 Financial Management

Pre-Matric Scholarship scheme is being executed through Direct Benefit Transfer (DBT) mode, wherein scheme funds are received from GoI and on the basis of its release, state approves its 10 per cent share to the State Nodal Department. After obtaining expenditure sanction from the State Finance Department, the fund is deposited to the scheme dedicated bank account through state treasury and disbursed directly to the beneficiaries'/ students' bank account through PFMS. The process of fund flow for scholarship is shown in **Chart 2.23**.

Chart 2.23: Flow of scholarship funds



Source: SJETA and Secondary Education Department

2.5.3.1 Financial Progress

Status of Fund availability and disbursement of scholarship during the period from 2017-18 to 2022-23 is shown in Table 2.67.

Table 2.67: Funds availability and disbursement during 2017-23

(₹ in lakh)

Year	Opening Balance	Fund demanded/ Annual demand	Funds received		Total available fund	Total expenditure	Closing balance
			Central Share	State Share			
1	2	3	4	5	6 (=2+4+5)	7	8 (=6-7)
2017-18	0.00	126.07	92.30	0.00	92.30	53.74	38.56
2018-19	38.56	0.00	8.67	0.00	47.23	45.52	1.71
2019-20	0.00	61.59	61.39	0.00	61.39	49.65	11.73
2020-21	11.73	173.13	169.37	18.82	199.92	182.61	17.31
2021-22	17.31	211.10	118.91	13.21	149.43	109.10	40.33
2022-23	40.33	286.34	257.71	28.63	326.67	177.17	149.50
Total	-	858.23	708.35	60.66	876.97	617.79	-

Source: Government sanction orders and Scheme account statement

Audit observed that during the period 2017-2023:

- The Departments had projected a requirement of ₹8.58 crore, funds of ₹8.77 crore (including balance fund in scheme account) was available. The Department could utilise only ₹6.17 crore which was 70 per cent of the funds available with the Departments.
- There was persistent savings ranging from ₹1.71 lakh (four per cent) to ₹1.49 crore (46 per cent).
- A total balance amount of ₹1.71 lakh was still lying unutilised in the scheme account maintained by SJETA. The balance fund was still not transferred to the present scheme nodal Department (Secondary Education Department).

During the audit period, scholarship could not be disbursed to many beneficiaries, as brought out in Paragraph 2.5.4.3. While the Department demanded a total fund of ₹8.58 crore during 2017-23, a total fund of ₹8.76 crore was available. However, they

could utilise only ₹6.17 crore and showed consistent savings during the period. This and the fact that scheme fund was not transferred in time to new nodal Department was indicative of poor financial management depriving the benefits of the scheme to 1,837 approved applications for academic session from 2017-18 to 2022-23.

The Department did not give specific reply for the persistent savings, however, during Exit Conference (29 August 2022), the Department stated that the savings pointed out was nominal which was unavoidable. Regarding unutilised fund of ₹1.71 lakh, the Department (SJETA) in its reply (22 August 2022) stated that the process for transfer of the unspent fund to the current nodal Department (Secondary Education Department) has been initiated.

The reply of the Department is not acceptable because there were extraordinary savings of ₹38.56 lakh (42 per cent), ₹11.73 lakh (19 per cent), ₹17.31 lakh (nine per cent) and ₹1.49 crore (46 per cent) during 2017-18, 2019-20, 2020-21 and 2022-23 respectively. Further, although the SJETA claimed to have initiated transfer of the unspent fund of ₹1.71 lakh to the current nodal Department (Secondary Education Department) during September 2021, the fund has not yet been received by the Secondary Education Department till date (October 2022).

2.5.3.2 Shortfall in matching State share

Funds for pre-matric scholarship scheme are shared at the ratio of 90:10 between Centre and State Government from the year 2014-15 onwards for the North-eastern and Special Category States. The position of releases of matching State's shares for pre-matric scholarship scheme during the period 2017-23 is shown in **Table 2.68**.

Table 2.68: State share due and actual releases

(₹ in lakh)

Year	Sanctioned amount	Central Share	State Share	State Share released	Shortfall
2017-18	102.56	92.30	10.26	0.00	10.26
2018-19	9.63	8.67	0.96	0.00	0.96
2019-20	68.21	61.39	6.82	0.00	6.82
2020-21	188.19	169.37	18.82	18.82	0.00
2021-22	132.12	118.91	13.21	13.21	0.00
2022-23	286.34	257.71	28.63	28.63	0.00
Total	787.05	708.35	78.70	60.66	18.04

Source: Records of SJETA and Secondary Education Department

Audit observed that State's matching share was not released during 2017-18 to 2019-20. Thus, there was a shortfall of matching share amounting to ₹18.04 lakh during 2017-18 to 2019-20. Non-release of State matching share has resulted in deprivation of scheme benefits to eligible beneficiaries.

The Department did not give specific reply for non-release of State's matching share during 2017-18 to 2019-20, however, the Department stated that they have already started demanding State matching share from 2020-21 onwards.

Audit observed that the State Government had released state matching share for the years 2020-21 and 2021-22.

2.5.3.3 Delay in release of funds

Funds were released by GoI directly to State Government, which in turn released to the implementing Departments. Position of release of funds from the State Government to the implementing Departments during 2017-18 to 2022-23 is shown in **Table 2.69**.

Table 2.69: Delay in release of funds

(₹ in lakh)

Year	Scheme	Fund released by GoAP to implementing Departments	Delay in months*
2017-18	Pre-matric	92.30	4
2018-19		8.67	9
2019-20		61.39	11
2020-21		188.19	9 to 12
2021-22		132.12	12
2022-23		286.34	12

Source: Records of SJETA and Secondary Education Department calculated from the end of financial year of admission

GoAP released a total amount of ₹7.69 crore for pre-matric scholarship scheme to the implementing Departments during the years 2017-18 to 2022-23. Audit observed that funds were not released during the same Academic Year/ Financial Year. Delay in release of funds ranged from 04 to 12 months (calculated from the end of financial year of admission).

Due to delay in release of funds to the implementing Departments there was delay in disbursement of scholarship to the beneficiaries/students (as detailed in **Paragraph 2.5.4.2**).

The Department in its reply (29 August 2022) stated that the delay in releasing of funds from the State Government to the implementing agencies was due to cumbersome process of obtaining concurrence of the Finance Department. The opinion of Finance Department had been sought on 05 June 2023. However, no response was received as of September 2024.

Further, there were delays in disbursement of scholarship to some beneficiaries due to bank account issues (Invalid bank details, minor account, accounts of others and account not linked with Aadhaar).

Audit observed that interest amounting to ₹0.94 lakh which was lying in the pre-matric scholarship scheme account maintained by Secondary Education Department was not remitted to the Consolidated Fund of India.

In its reply (29 August 2022), the Department accepted the audit finding and agreed to take up corrective measures and deposit the money to the Consolidated Fund of India.

Recommendation: The Department may take measures to ensure timely release of funds from the State Government to the implementing agencies.

2.5.4 Scheme Implementation

Pre-Matric Scholarship Scheme is being implemented through States which are responsible for inviting applications from students; checking eligibility, verification of applications and disbursement of scholarship to eligible students directly to their bank accounts. The selected students get a monthly scholarship of up to INR 350 for a period of 10 months.

Audit scrutiny aimed to examine whether the scheme was implemented effectively to ensure scholarship disbursement to eligible beneficiaries. Audit observations are discussed in the succeeding paragraphs.

2.5.4.1 Coverage of beneficiaries

Year-wise actual disbursement of pre-matric scholarship during 2017-23 is shown in Table 2.70.

Table 2.70: Year-wise actual disbursement of pre-matric scholarship during 2017-23

Year	Total number of applications received	Total number of applications approved	Total number of beneficiaries to whom scholarship disbursed	Total number of beneficiaries to whom scholarship not disbursed
2017-18	3599	3593	2255	1338
2018-19	1885	1885	1846	39
2019-20	2568	2142	1979	163
2020-21	6464	5849	5709	140
2021-22	6541	5812	5705	107
2022-23	5903	5252	5202	50
Total	26960	24533	22696	1837

Source: Records of SJETA and Secondary Education Department

During 2017-23 a total number of 26,960 applications for pre-matric scholarship scheme were received of which 2,427 applications were not approved for reasons such as double application, incomplete submission of documents, incorrect bank account details *etc.* While 24,533 (91 per cent) of the applications were approved, scholarship was disbursed to 22,696 (84 per cent) of the students.

2.5.4.2 Delay in payment of scholarship

There were no specific timelines for payment of scholarship to a student under the scheme. Para 16.2 of pre-matric scholarship scheme guidelines, however, stipulate that the State Government/UT Administration will be expected to ensure timely payment and regular disbursal of scholarship amount to the students through their Bank/ Post office accounts preferably on monthly basis.

During 2017-23 scholarship was not paid during the same Academic Year/ Financial Year. Scholarship was paid only during the next Academic Year/ Financial Year. GoAP did not prescribe timelines for payment of scholarship to a student under the scheme. In the absence of the above, audit noted that there were delays in payment of scholarships to the students ranging from 01 to 12 months, with details in Table 2.71.

Table 2.71: Delay in disbursement of scholarship

Year	Scheme	Total number of applications approved	Number of students with delayed receipt of scholarship	Range of delay in months (from the end of financial year of admission)
2017-18	Pre-matric	3593	2255	4 to 11
2018-19		1885	1846	9 to 12
2019-20		2142	1979	11
2020-21		5849	5709	11 to 12
2021-22		5812	5705	1 to 5
2022-23		5252	5202	1 to 6

Source: Records of SJETA and Secondary Education Department

Delay in disbursement of scholarship adversely affects the objectives of the scheme intended to ensure uninterrupted studies of students belonging to vulnerable sections of society and exposes the students to undue hardships.

The Department stated (29 August 2022) that scholarship were disbursed as soon as funds are available and credited to the beneficiaries bank account within a week or two. However, there were delays in disbursement of scholarship to some beneficiaries due to bank account issues (Invalid bank details, minor account, accounts of others and account not linked with Aadhaar (unique biometric identity). The students usually take a lot of time to rectify the issues.

However, the State Government did not fix specific timeline for processing of applications and disbursement of scholarship and was unable to release fund for timely disbursement of scholarship thereby depriving the beneficiaries from availing the benefits of the scheme.

Recommendation: The State Government may fix specific timelines for processing of applications and disbursement of scholarship.

2.5.4.3 Undisbursed scholarships

A successful transaction of payment of scholarship is dependent on such factors as submission of correct information of bank account and other related details by the beneficiary on scholarship portal and/or otherwise and its subsequent verification by the educational institute/Department.

During 2017-23, audit noticed instances of undisbursed scholarships of ₹1.51 crore against 1,837 approved applications due to mismatch of bank details as brought out in Table 2.72.

Table 2.72: Undisbursed scholarships

(₹ in lakh)

Period	Total number of approved beneficiaries	Total number of beneficiaries to whom scholarship was disbursed	Total number of beneficiaries to whom scholarship not disbursed	Amount	Current status of scholarship funds	Reasons
2017-18	3593	2255	1338	0.76	Lying in scheme account maintained by SJETA	Bank issues such as inactive/ closed/ dormant/ minor accounts
2018-19	1885	1846	39	0.95		
2019-20	2142	1979	163	11.73	Lying in scheme account maintained by DSE	
2020-21	5849	5709	140	5.58		
2021-22	5812	5705	107	23.02		
2022-23	5252	5202	50	107.45		
Total	24533	22696	1837	151.22	--	--

Source: Records of SJETA and Secondary Education Department

The scholarship was still lying undisbursed in the dedicated scheme account maintained by the Departments which resulted in depriving scholarships to 1,837 students whose applications were approved.

The Department in its reply (29 August 2022) stated that scholarship was not disbursed to some beneficiaries due to bank account issues (Invalid bank details, minor account,

accounts of others and account not validated). The students usually take a lot of time to rectify the issues.

The reply is not acceptable as Department could not timely resolve the DBT transaction failure as there was no Grievance Redressal Mechanism thereby depriving scholarship to 1,837 approved applications.

2.5.4.4 Parents/Guardians of the beneficiaries are serving/retired Government employees, rendering compliance with income threshold doubtful

As per Section 4 (ii) of Pre-Matric Scholarship Scheme guidelines, ST students whose parents'/ guardians' income from all sources does not exceed ₹02 lakh (*w.e.f.* 2012-13) per annum were eligible for scholarship under Pre-Matric scheme respectively. The income limit for Pre-Matric Scholarship scheme was revised from ₹2.00 lakh to ₹2.50 lakh from April 2020.

Test check of 1,040 applications pertaining to 47 institutes revealed that the income certificate submitted was shown within the prescribed limit. However, during cross verification with institute admission records, audit observed that out of 1,040 beneficiaries, the parents/guardians of 111 beneficiaries were serving/ retired Government employees, rendering compliance with the income threshold doubtful, as the minimum Govt. salary/pension per annum is ₹3.07 lakh⁷⁶.

If the parents/guardians of beneficiaries are serving/retired Government employees, then it is doubtful that the annual income would be less than the maximum limit prescribed in the guidelines.

Thus due to ineffective system of verification of applications, scholarship was awarded to 111 ineligible beneficiaries.

The Department in its reply (29 August 2022) stated that the primary responsibility to identify ST students and verify the Income Certificates and detect such cases of non-compliance lies at the institute level. However, the Department assured that they will look into the matter and take necessary action, if required.

The Department's reply is not acceptable as the responsibility of data verification and approval rests with the nodal department.

Recommendation: The Department may put in place an effective system of verification of applications to ensure that scholarship is not awarded to ineligible beneficiaries.

2.5.4.5 Disbursement of scholarship at higher rates to Day Scholars

As per Paragraph 6 of Pre-Matric scholarship guidelines (2012), Day Scholars were entitled for scholarship at lower rates (₹150.00/month up to 2018-19 and revised to ₹225.00/month from 2019-20 onwards) as compared to Hostellers rates (₹350.00/month up to 2018-19 and revised to ₹525.00/month from 2019-20 onwards).

During 2017-21, pre-matric scholarship amounting to ₹17.06 lakh was disbursed to 346 students from 31 institutes at hostellers' rate. However, as per Unified District Information System for Education (UDISE) data the said 31 institutes did not have hostel facilities, as such the students were to be given scholarship at day scholar's rates. Thus, due to

⁷⁶ Minimum basic pay plus Dearness allowance

disbursement of scholarship at higher rates to day scholars in contravention to the scheme guidelines, there was an excess payment of ₹9.75 lakh. (*Appendix-2.29*).

No reply was given by the Department regarding disbursement of scholarship at higher rates to day Scholars, however during Exit Conference (29 August 2022), the Department assured that they will look into the matter and take necessary action, if required.

The Department's reply is not relevant as the Department already had UDISE data of institutes not having hostel facilities and could have used the data while verifying the applications.

2.5.4.6 Excess payment of scholarship

As per Para 6 of Pre-Matric scholarship guidelines (2012), Day Scholars were entitled for scholarship at lower rates (₹150.00/month up to 2018-19 and revised to ₹225.00/month from 2019-20 onwards) as compared to Hostellers' rates (₹350.00/month up to 2018-19 and revised to ₹525.00/month from 2019-20 onwards).

In Arunachal Pradesh, educational institutions/hostels were closed from March 2020 to December 2020 due to Covid Pandemic. For the academic session 2020-21, institutions/hostels were opened only during January 2021 to May 2021 *i.e.* for five months only.

During 2020-21, an amount of ₹20.48 lakh (excluding books and *ad-hoc* grant) pre-matric scholarship was disbursed to 390 students at hostellers' rate for 10 months. Since, hostels were opened for only five months for the academic session 2020-21, the students were entitled for hostellers' rate for five months only and day scholar rate for the remaining five months and the total amount to be disbursed to the students was ₹17.06 lakh instead of ₹20.48 lakh. Details are given in **Table 2.73**.

Table 2.73 Excess payment of pre-matric scholarship

No. of beneficiaries	Rate/month (in ₹)		No. of months entitled for		Amount to be paid (in ₹)	Amount paid (in ₹)	Excess (in ₹)
	Hosteller	Day scholar	Hosteller's rate	Day Scholar rate			
A	B	C	D	E	F= AxBxD+CxE	G= AxBx10	G-F
390	525	350	5	5	1706250.00	2047500.00	341250.00

Source: Records of Secondary Education Department

Thus, due to non-verification of number of months for which the hostels were opened by the Institute Nodal Officers (INO) and State Nodal Officer (SNO) while processing the applications, disbursement of scholarship at hostellers' rates for 10 months instead of five months was made and there was an excess payment of ₹3.41 lakh.

No reply was given by the Department regarding disbursement of scholarship at higher rates to the Hostellers when hostels were closed during Covid-19 pandemic, however during Exit Conference (29 August 2022), the Department assured that they will look into the matter and take necessary action, if required.

The Department's reply is not relevant as the Department already knew that hostel facilities were open for four months during academic session 2020-21 due to Covid-19 pandemic and could have restricted the scholarship amount before disbursement.

2.5.5 Monitoring and Evaluation

Monitoring and Evaluation is used to assess the performance of the scheme and to ensure that the objectives for which the scheme is initiated are achieved. The purpose of monitoring and Evaluation is to improve current and future management of outputs, outcomes and impact.

2.5.5.1 Lack of evaluation and Impact Assessment

No committee/mechanism had been formed/created at State and district level for periodic review of the progress of the scheme. Further, no Social Audit of the scheme implementation was conducted during 2017-21.

No comprehensive evaluation of the schemes was being carried out to assess the outcome or impact of the scheme. Audit observed that evaluation of the scheme had not been carried out by the Department during the period of SSCA. No specific outcome indicators were fixed by the State Government for measuring the impact of the scheme. As a result, effectiveness/outcome of the scheme could not be assessed.

The Department in its reply (29 August 2022) stated that no mechanism or policy exist for monitoring of the scheme and accepted that no comprehensive evaluation of the schemes was carried out and they have not formulated outcome indicators for the scholarship schemes. However, the Department agreed to constitute Committees at State and district level to monitor the implementation of schemes and also agreed to conduct Social Audit of the schemes and stated that the finance Department is working on the preparation of outcome indicators.

Recommendation: The Department may constitute Committees at the State and District level to monitor the implementation of the scheme.

2.5.5.2 Quarterly Progress Reports

The Guidelines of the schemes provide that State Governments and Union Territory Administrations implementing the scheme will furnish data of beneficiaries and expenditure under the scheme, to GoI, regularly in the Quarterly Progress Reports whose pro-forma would be separately prescribed. It was, however, observed that the Departments have not been submitting quarterly progress reports to GoI regularly. Regular submission of QPR would have effectively monitored the implementation of the scheme at any given time and could have prevented the instances of delay in release of fund, delay in disbursement of scholarship and solved cases of failed bank transactions.

The Department in its reply (29 August 2022) stated that various reports are submitted from time to time as per format provided by GoI. The Department also provided information to GoI during periodic video conference. Further, the Department stated that the information was already available in NSP application and accessible to GoI. Hence, submission of QPR periodically was not required.

The reply of the Department is not acceptable because the scheme guidelines specifically emphasise that the State Government should regularly furnish Quarterly Progress Reports. Further, QPR will allow monitoring of the progress of scheme implementation at any given time and rectify any problems like failed transactions rather than having to wait until year-end for an update.

2.5.5.3 Non-displaying school-wise data of students receiving scholarship at district level on the web-site

As per Section 17 (iii) of Pre-Matric Scholarship Scheme guidelines, the states should ensure that an institution-wise list of students, with necessary particulars, for award of scholarships is displayed on the web-site of NIC at District level.

Audit observed that even after lapse of more than six years of implementation of the scheme in the State, institution-wise list of students, with necessary particulars, for award of scholarships was not displayed on the web-site of NIC at District level.

The Department accepted the audit finding and stated (29 August 2022) that district-wise data of schools can be displayed in the Department's website if NSP permits.

The reply is not relevant because the Department has access to NSP data which can be easily extracted and displayed on the web-site of NIC at District level as envisaged in the scheme guidelines. Display of institution-wise list of awardees would have given more publicity of the scheme to the eligible ST students of each district.

2.5.5.4 Grievances Redressal Mechanism at State and District level

The Guidelines of the scheme (July 2012) provide that State will designate Grievance Redressal Officers at the State and District levels to ensure expeditious redressal of grievances of ST students.

Grievances redressal mechanism for the scheme neither existed at District level nor at State level. It was observed that records relating to the actual number of grievances received and addressed were not maintained. Further, out of 24,533 applications approved during 2017-23, scholarship amount was disbursed to 22,696 beneficiaries and scholarship amount for the remaining 1,837 beneficiaries were not disbursed till date. The Department did not redress the issue relating to non-disbursal of scholarship for the approved 1,837 beneficiaries.

The Department in its reply (29 August 2022) stated that the State Nodal Officer is designated for addressing the grievances of students. During Exit Conference (29 August 2022), the Department accepted the audit finding and assured that necessary action will be taken.

Recommendation: The State Government may designate Grievance Redressal Officers at the State and District levels.

Audit Findings on Post-Matric Scholarship Scheme

The findings of the SSCA on Post-Matric Scholarship Scheme are discussed in the succeeding paragraphs.

2.5.6 Planning

Post Matric Scholarship Scheme was implemented in the state by the Higher & Technical Education Department, Government of Arunachal Pradesh from 2019-20 onwards. The planning, in respect of Post-Matric Scholarship Scheme for students belonging to Scheduled Tribes, involved identification of universe of potential beneficiaries, development of mechanism to cover the potential beneficiaries in the scheme along with mechanism to weed out ineligible/ fraudulent applicants, awareness generation about the scheme, systematic and realistic assessment of requirement of funds for providing effective coverage to all eligible beneficiaries under the scheme *etc.*

Audit scrutiny in this regard led to the following audit observations in respect of planning:

2.5.6.1 Non-identification of universe of potential beneficiaries

The Departments had not maintained any database, of ST students list, potential beneficiaries, successful beneficiaries, drop-outs, *etc.* which could be used to arrive at, estimates for succeeding year(s). The estimates regarding number of eligible students for scholarship were prepared on *ad-hoc* basis without collecting any data from field offices or conducting any survey regarding eligible students under the schemes. Due to non-identification of universe of beneficiaries, there was wide variation in estimated number of beneficiaries' *vis-à-vis* actual number of beneficiaries as detailed in **Paragraph 2.5.6.3.**

The Department in its reply (29 August 2022) stated that applications data were filtered through NSP based on pre-defined criteria as set by State Government and GoI. However, there is no mechanism to find out the universe of potential beneficiaries. The Department agreed that at present the database is not maintained.

2.5.6.2 Absence of specific timelines for processing of applications and scholarship disbursal

As per para X of Post-Matric Scholarship scheme guidelines 2010, all State Governments/ UT Administrations will announce in May-June each year the details of the scheme and invite applications by issuing an advertisement in leading newspapers of the State and through their respective websites and other media outfits. The applicant should submit the completed application to the prescribed authority, as mentioned below before the last date prescribed for receipt of applications. The application is verified, processed and sanctioned by the prescribed authority after which the scholarship is granted to the students.

No fixed timelines were prescribed for submission of application, verification of application at institute level, verification of application by the nodal Departments and forwarding it to the National Scholarship Portal (NSP). Timeline for processing of applications during 2017-23 is shown in **Table 2.74.**

Table 2.74: Year wise timeline for processing of applications

	2017-18	2018-19	2019-20	2020-21	2020-22	2022-23
Invitation of online applications	03-10-2017	20-11-2018	10-09-2019	13-10-2020	25-09-2021	20-09-2022
Last date of submission of online application	30-11-2017	31-12-2018	31-10-2019	30-11-2020	31-01-2022	17-01-2023
Last date of verification of application at Institutional level	31-12-2017	10-01-2019	15-11-2019	10-12-2020	10-02-2022	17-01-2023
Last date of verification of application at State level	31-01-2018	31-05-2019	31-01-2020	15-02-2021	15-05-2022	31-01-2023

Source: Records of SJETA and Higher & Technical Education Department

The guidelines stipulate that the scheme must be announced in May-June each year giving the details of the scheme and inviting applications by issuing an advertisement in leading newspapers of the State and through their respective websites and other media outfits. It can, however, be seen from the above that the scheme was announced/applications invited

only during September to November each year during the period 2017-2022. Further, there was no uniformity from year to year in timeline for receipt and processing of applications at institute and State level.

The Government of Arunachal Pradesh (GoAP) did not prescribe timelines for disbursement of scholarship under the scheme. In the absence of the above, audit noted that there were delays ranging from 04 to 13 months in payment of scholarships to the students during the period 2017-2023, as brought out in **Paragraph 2.5.8.2** of this report.

The Department in its reply (29 August 2022) stated that the timeline for processing and disbursement of scholarship had been available.

The reply of the Department was not acceptable because in the notification the timeline for invitation of applications, last date of submission of application and verification of applications by institutes, nodal Department and at NSP level changes every year, thereby promoting unpredictability to the intended beneficiaries about the timeline for processing as well as for receiving of scholarship.

2.5.6.3 Shortcomings in preparation of Annual Demand

In the absence of database of eligible students, the Department was not able to ascertain coverage of students. The Department prepared the estimates on *ad-hoc* basis with 20 per cent anticipated increase from the previous financial year. During 2017-18 and 2018-19 the estimated number of beneficiaries was not added in the Annual Demand. In the absence of mechanism for preparing their Annual Demand on realistic basis there was variation in estimated number of beneficiaries' and actual number of beneficiaries as well as fund demanded and actual expenditure, as shown in **Table 2.75**.

Table 2.75: Estimated and actual position of beneficiaries and fund demand

Year	Number of beneficiaries			Fund demand (₹ in lakh)		
	Estimated	Actual	Difference	Estimated	Actual expenditure	(+) Excess (-) Short
2017-18	-	13735	-	9288.00	4052.98	-5235.02
2018-19	26000	15596	10404	4900.00	4846.92	-53.08
2019-20	18000	20500	-2500	6000.00	6626.20	+626.20
2020-21	25000	31916	-6916	8200.00	8923.59	+723.59
2021-22	38300	44143	-5843	11715.96	11618.02	-97.94
2022-23	46346	46725	-379	12513.38	12435.67	-77.71

Source: Records of SJETA and Higher & Technical Education Department

During 2017-18, the fund demanded was ₹92.88 crore and the actual expenditure was ₹40.53 crore which was more than ₹52.35 crore (37.27 per cent) of actual expenditure. Further, during 2019-20 to 2021-22, the actual number of beneficiaries for post-matric scholarship scheme was more than the estimated beneficiaries by 15,638 (11 per cent) and the actual expenditure was more than the estimate by ₹11.74 crore (Three per cent).

There was, thus, no institutional process for arriving at accurate estimates/plans for scholarships to be granted to eligible students in a particular year.

The Department stated (25 August 2022) that the Annual Demand was prepared with reference to the formats and Annexures as fixed by MoTA. During Exit Conference (29 August 2022) the Department stated that some amount of difference between estimated figure and actual expenditure was always bound to happen. This was unavoidable.

The reply of the Department is not acceptable due to fact that though Annual Demands were prepared as per formats and Annexure of MoTA, however, the Department did not have a database of eligible students which resulted in making demands on an adhoc basis with non-addition of estimated no. of beneficiaries during 2017-18 to 2018-19 having led to flawed demand projection. Further, the claim of the Department with regards to inevitable difference, is also not acceptable, as during 2019-20 to 2022-23, the actual number of beneficiaries for post-matric scholarship scheme was more than the estimated beneficiaries by 15,638 (11 *per cent*) and the actual expenditure was more than the estimate by ₹11.74 crore (03 *per cent*).

2.5.6.4 Non-review of rates fixed by Fee Fixation/Regulatory Committee

In Post-Matric scholarship scheme the tuition fee as fixed by the state fee regulatory committee is reimbursed. The students are also provided maintenance allowance depending on the type of course.

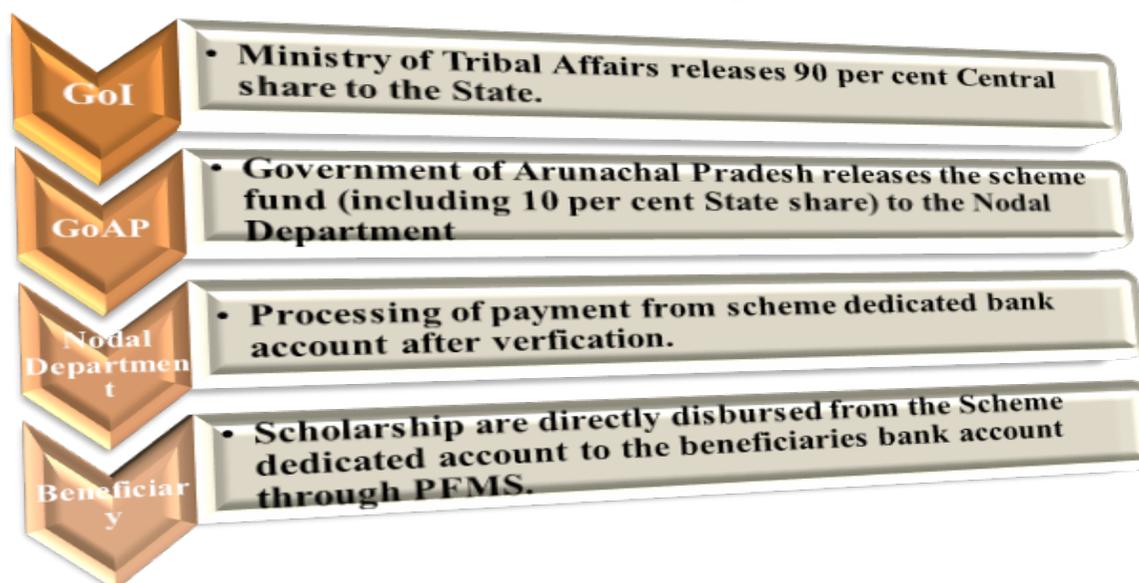
In Arunachal Pradesh the Fee Fixation/Regulatory committee was constituted during October 2017 for review and rationalization of fee structures of courses. Audit observed that even after lapse of more than four years the rates were not reviewed.

The Department in its reply (25 August 2022) stated that the proposal for fee revision is already under submission to the Government.

2.5.7 Financial Management

Post-Matric Scholarship scheme is being executed through Direct Benefit Transfer (DBT) mode, wherein scheme funds are received from GoI and on the basis of its release, state approves its 10 *per cent* share to the state nodal Department. After obtaining expenditure sanction from the State Finance Department, the fund is deposited to the scheme dedicated bank account through state treasury and disbursed directly to the beneficiaries' / students' bank account through PFMS. The process of fund flow for scholarship is given in **Chart 2.24**.

Chart 2.24: Flow of scholarship funds



Source: SJETA and Higher & Technical Education Department)

2.5.7.1 Financial Progress

Status of Funds availability and disbursement of scholarship during the period from 2017-18 to 2022-23 is shown in **Table 2.76**.

Table 2.76: Funds availability and disbursement during 2017-23

(₹ in lakh)

Year	Opening Balance	Funds received		Total available fund	Total expenditure	Closing Balance
		Central share	State Share			
Post-Matric Scholarship Scheme for ST students						
2017-18	124.60	3657.07	406.34	4188.01	4052.98	135.03
2018-19	135.03	4410.00	490.00	5035.03	4846.92	188.11
2019-20	0.00	6252.96	694.77	6947.73	6626.20	321.53
2020-21	321.53	8117.43	901.94	9340.90	8923.59	417.31
2021-22	417.31	10168.78	1129.86	11715.95	11618.02	97.93
2022-23	97.93	11262.04	1251.34	12611.31	12435.67	175.64
Total		43868.28	4874.25	49838.93	48503.38	

Source: Government sanction orders and Scheme account statement

Audit observed that during the period 2017-23:

- A total balance amount of ₹1.90 crore (₹0.02 crore for pre-matric scholarship and ₹1.88 crore for post-matric scholarship) was still not transferred from Social Justice & Empowerment and Tribal Affairs Department to the Higher and Technical Education Department.
- There was persistent savings ranging between ₹0.98 crore (01 per cent) to ₹4.17 crore (4.47 per cent) of the total funds available each year during the review period.
- Out of the total fund of ₹498.39 crore available during 2017-23, the actual expenditure was ₹485.03 crore (97 per cent).

The Department did not give specific reply for the persistent savings however, during Exit Conference (29 August 2022) the Department stated that the savings pointed out were nominal which was unavoidable.

The reply of the Department was partly acceptable as the savings were not nominal and had increased from ₹1.35 crore (3.22 per cent) during 2017-18 to ₹4.17 crore (4.47 per cent) during 2020-21.

2.5.7.2 Delay in release of funds

Funds were released by GoI directly to State Government, which in turn released it to the implementing Departments. Position of release of funds from the State Government to the implementing Departments during 2017-18 to 2022-23 was as below in **Table 2.77**.

Table 2.77: Delay in release of funds

(₹ in lakh)

Year	Scheme	Fund released by GoAP to implementing Departments	Delay in months*
2017-18	Post-matric	4063.41	4
2018-19		4900.00	6 to 8
2019-20		6947.73	1 to 3
2020-21		9019.37	2 to 11
2021-22		11298.64	3
2022-23		12513.38	4 to 6

Source: Records of SJETA and Higher & Technical Education Department)

* Calculated from the end of financial year of admission

GoAP released a total amount of ₹487.42 crore to the implementing Departments during the year 2017-18 to 2022-23. Audit observed that funds were not released during the same Academic Year/ Financial Year. Delay in release of funds ranged from 01 to 11 months (calculated from the end of financial year of admission). Delay in release of fund is attributed to the fact that the state government has not fixed a specific timeline for processing of application and disbursement of scholarship. Due to delay in release of funds to the implementing Departments there was delay in disbursement of scholarship to the beneficiaries/students (**Paragraph 2.5.8.2**).

During Exit Conference (29 August 2022), the Department accepted the audit finding and assured that they would make efforts in future to expedite disbursement of scholarship. The opinion of Finance Department had been sought on 05 June 2023. However, no response was received as of September 2024.

However, the State Government was unable to release fund for timely disbursement of scholarship thereby depriving the beneficiaries from availing benefits of the scheme timely.

2.5.7.3 Non-accountal of interest income from unspent fund

As per Rule no. 230 of General Financial Rules, 2017 all interests or other earnings against Grants in aid or advances (other than reimbursement) released to any Grantee institution should be mandatorily remitted to the Consolidated Fund of India immediately after finalisation of the accounts. Such advances should not be allowed to be adjusted against future releases.

Audit observed that during 2019-20 to 2020-21 interest amounting to ₹27.08 lakh was accumulated in the post-matric scholarship scheme account maintained by higher and technical education Department . However, the interest accumulated was deposited in the State Government Account as revenue instead of remitting to the Consolidated Fund of India.

During Exit Conference (29 August 2022), the Department accepted the audit finding and agreed to take up corrective measures and deposit the money to the Consolidated Fund of India.

2.5.8 Scheme Implementation

Post-Matric Scholarship Schemes are being implemented through States/UTs which are responsible for inviting applications from students; checking eligibility, verification of applications and disbursement of scholarship to eligible students directly to their bank accounts. The selected students receive fees for enrolment/ registration, tuition, library, magazine, medical examination, and other such fees. Besides this, students also get up to INR 1,600 per annum as charges for study tours. Audit scrutiny aimed to examine whether the scheme was implemented effectively to ensure scholarship disbursement to eligible beneficiaries. Audit observations are discussed below:

2.5.8.1 Coverage of beneficiaries

Year-wise physical progress during 2017-23 under the scheme is tabulated below in **Table 2.78**.

Table 2.78: Physical progress

Year	Total number of applications received	Total number of applications approved	Total number of beneficiaries to whom scholarship disbursed	Total number of beneficiaries to whom scholarship not disbursed
2017-18	14415	14413	13735	678
2018-19	15757	15757	15596	161
2019-20	21832	20500	19800	700
2020-21	34553	31916	31523	393
2021-22	48079	44143	43638	505
2022-23	54847	46732	46276	456
Total	189483	173461	170568	2893

Source: Records of SJETA and Higher & Technical Education Department

During 2017-23 a total number of 1,89,483 applications were received of which 16,022 applications were not approved for reasons such as double application, incomplete submission of documents, incorrect bank account details *etc.* Out of the total applications received, 1,73,461 (92 per cent) of the applications were approved and scholarship was disbursed to 1,70,568 (90 per cent) students.

2.5.8.2 Delay in payment of scholarship

There were also no specific timelines for payment of scholarship to a student under the scheme. Scheme guidelines, however, stipulate that in order to ensure timely payment of scholarship amount to the beneficiaries, payment of scholarship should be made to beneficiaries through their accounts in post offices/banks.

As pointed out in Para 3.1.3 there was no fixed timeline for processing of applications and disbursement of scholarship. The applications were processed during September of the year of admission in the concerned class to May of the next year. Thus, during 2017-22 scholarship was not paid during the same Academic Year/Financial Year. Scholarship was paid only during the next Academic Year/Financial Year. GoAP did not prescribe timelines for payment of scholarship to a student under the scheme. In the absence of the above, audit noted that there were delays in payment of scholarships to the students ranging from 03 to 13 months and details are tabulated in **Table 2.79**.

Table 2.79: Delay in disbursement of post-matric scholarship

Year	Total number of applications approved	Number of students with delayed receipt of scholarship	Range of delay in months (from the end of financial year of admission)
2017-18	14413	13735	4 to 11
2018-19	15757	15596	6 to 10
2019-20	20500	19800	13
2020-21	31916	31523	3 to 9
2021-22	44143	43638	3 to 8
2022-23	46732	46276	4 to 10

Source: Records of SJETA and Higher & Technical Education Department

Delay in disbursement of scholarship adversely affects the objectives of the scheme intended to ensure uninterrupted studies of students belonging to vulnerable sections of society and exposes the students to undue hardships.

The Department in its reply (25 August 2022) stated that scholarship was disbursed as soon as funds are available and credited to the beneficiaries bank account within a week or two. However, there were delays in disbursement of scholarship to some beneficiaries due to bank account issues (Invalid bank details, minor account, accounts of others and account not linked with Aadhar). The students usually take a lot of time to rectify the issues.

However, the State Government did not fix specific timeline for processing of applications and disbursement of scholarship and was unable to release fund for timely disbursement of scholarship thereby depriving the beneficiaries from availing the benefits of the scheme timely.

2.5.8.3 Undisbursed scholarships

A successful transaction of payment of scholarship is dependent on such factors as submission of correct information of bank account and other related details by the beneficiary on scholarship portal and/or otherwise and its subsequent verification by the educational institute/Department.

During 2017-23, Audit noticed instances of undisbursed scholarships of ₹3.64 crore (₹1.88 crore lying in the scheme bank account maintained by SJETA and ₹1.76 crore lying in the bank account maintained by DH&TE) for 2,893 beneficiaries due to mismatch of bank details as brought out in **Table 2.80**.

Table 2.80: Undisbursed scholarships

(₹ in lakh)

Period	Scheme	Total number of beneficiaries to whom scholarship not disbursed	Amount	Current status of scholarship funds	Reasons
2017-18	Post-Matric	678	135.03	Lying in scheme bank account maintained by SJETA	Bank issues such as inactive/ closed/ dormant/ minor accounts
2018-19		161	53.08		
2019-20		700	321.53	The amount was carried forwarded to the next financial year <i>i.e.</i> 2020-21	-
2020-21		393	95.78	The amount was carried forwarded to the next financial year <i>i.e.</i> 2021-22	
2021-22		505	97.93	The amount was carried forwarded to the next financial year <i>i.e.</i> 2022-23	
2022-23		456	175.64	Lying in scheme bank account maintained by DH&TE	-
Total			2893	363.75	-

Source: Records of SJETA and Higher & Technical Education Department

Audit noted that the amount lying undisbursed in the scheme dedicated bank account was carried forward to the next financial year. Thus, the bank transaction issues of the approved applications were not resolved, instead the fund was adjusted in the next release of fund. The scholarship was still lying undisbursed in the dedicated scheme account maintained by the Departments which resulted in depriving scholarships to 2,893 students.

The Department in its reply (25 August 2022) stated that scholarship was not disbursed to some beneficiaries due to bank account issues (invalid bank details, minor account, accounts of others and validation of accounts). The students usually take a lot of time to rectify the issues. During Exit Conference (29 August 2022), the Department accepted the audit finding and assured that they would take steps for timely disbursement of scholarship.

The reply is not acceptable as most of the disbursement has been due for upto four years which is sufficient time to resolve any bank account related or other issues. Further, the Department did not sort out the inconsistencies timely thereby depriving scholarship to 2,893 approved applications.

2.5.8.4 Acceptance of applications where parental income exceeded the ceiling prescribed

As per post-matric scheme guidelines scholarships are paid to students whose parents'/guardians' income from all sources does not exceed ₹2.50 lakh per annum.

NSP system rejects applications of students whose parents'/guardians' income from all sources exceeds the prescribed limit. Audit observed that during 2019-20 and 2020-21, the NSP system was not only accepting the 22 post-matric scholarship renewal applications from ineligible students *i.e.* whose parental income was more than the limit prescribed but was also processing these applications for payment of scholarship. An amount of ₹6.00 lakh was disbursed to the 22 students. No such cases were detected in fresh scholarship applications.

No specific reply was given by the Department regarding selection of ineligible beneficiaries, however during Exit Conference (29 August 2022), the Department stated that this is the problem with National Scholarship Portal application. The Department has already conveyed this snag in the application to the GoI for necessary rectification in the application.

The Department's reply is not relevant because the cases of parental income exceeding the prescribed limit could have been detected during verification of applications at institute level and at Department level.

2.5.8.5 Parents/Guardians of the beneficiaries are serving/retired Government employees, rendering compliance with income threshold doubtful

As per Para IV of Post-Matric Scholarship Scheme guidelines, ST students whose parents'/guardians' income from all sources does not exceed ₹2.50 lakh per annum were eligible for scholarship under Post-Matric scheme respectively. Test check of 2,425 applications pertaining to 99 institutes revealed that the income certificate submitted was shown within the prescribed limit. However, during cross verification with institute admission records, Audit observed that out of 2,425 beneficiaries, the parents/guardians of 173 beneficiaries were serving/retired Government employees, rendering compliance with the income

threshold doubtful, as the minimum Govt. salary/pension per annum is ₹3.07 lakh⁷⁷. If the parents/guardians of beneficiaries are serving/retired Government employees, then it is doubtful that the annual income would be less than the maximum limit prescribed in the guidelines. Thus, due to ineffective system of verification of applications, scholarship was awarded to 173 ineligible beneficiaries.

No specific reply was given by the Department regarding selection of ineligible beneficiaries, however during Exit Conference (29 August 2022), the Department assured that they will look into the matter and take necessary action, if required.

However, the existing system of checking applications was not effective which led to payment of scholarship to ineligible beneficiaries.

2.5.8.6 Number of beneficiaries exceeded the total number of students enrolled in the institute

During data analysis of beneficiaries under Post-Matric scholarship and enrolment data provided by the Department, it was noticed that in three institutes (Donyi Polo B.Ed. college, Daying Ering College of Teachers Education and Vivekananda Kendra College of Teachers Education) the number of beneficiaries exceeded the total number of students enrolled in the institutes. Against the total enrolment of 834 ST students in the institutes during 2018-2021, the total number of beneficiaries was 1,284. The total beneficiaries exceeded the total enrolment by 450 (54 per cent) ranging from 13 (06 per cent) to 114 (71 per cent). (*Appendix-2.30*)

The Department in its reply (25 August 2022) and during Exit Conference (29 August 2022) stated that the total intake of students per year for two-years course may be calculated as twice the number of students enrolled and the data for enrolment was only for 1st year of admission and data for subsequent years was excluded. Because of this reason the number of beneficiaries exceeded the total number of students enrolled.

The reply is not acceptable as the student enrolment record provided by the Department revealed that the number of beneficiaries exceeded the total number of students enrolled in the institute.

2.5.8.7 Disbursement of maintenance allowance at higher rates to Day Scholars

As per the rates approved (5 October 2017) by Fee Fixation Committee for post-matric scholarship schemes the Day Scholars belonging to Group V (Class XI-XII/ ITI Courses/ Diploma courses) were entitled for maintenance allowance at lower rates (₹200.00/month) as compared to Hostellers rates (₹300.00/month).

During 2017-21, maintenance allowance amounting to ₹1.11 lakh was disbursed to 37 students of nine institutes at hostellers' rate. However, as per UDISE data the said nine institutes do not have hostel facilities. As such, the students should have been given maintenance allowance at day scholars' rates. It was the responsibility of the Institute Nodal officers and State Nodal officer to verify the details while processing the applications. Thus, due to disbursement of maintenance allowance at higher rates to day scholars in contravention of the rates approved by Fee Fixation Committee, there was an excess payment of ₹0.37 lakh. (*Appendix-2.31*)

⁷⁷ Minimum basic pay plus Dearness allowance

The Department in its reply (25 August 2022) stated that it was not possible at the level of State Nodal Officer to verify the hostel facilities at institute level because the Department has no data regarding infrastructure available at institutes. The Department further stated that they will intimate the institutes to verify details before approving the applications.

During Exit Conference (29 August 2022), the Department assured that they will look into the matter and take necessary action, if required.

The Department's reply is not relevant as the Department already had UDISE data of institutes not having hostel facilities and could have used the data while verifying the applications.

2.5.8.8 Excess payment of scholarship

As per the rates approved by Fee Fixation Committee for post-matric scholarship schemes the Day Scholars belonging to Group V (Class XI-XII/ ITI Courses/ Diploma courses) were entitled for maintenance allowance at lower rates (₹200.00/month) as compared to Hostellers' rates (₹300.00/month).

In Arunachal Pradesh, educational institutions/hostels were closed from March 2020 to December 2020 due to Covid-19 pandemic. For the academic session 2020-21, institutions/hostels were opened only during January 2021 and closed during May 2021 *i.e.* were open for four months only.

Post-matric maintenance allowance amounting to ₹75.13 lakh was disbursed to 1,142 students at hostellers' rate for 10 months. Since, hostels were opened for only four months for the academic session 2020-21; the students were entitled for hostellers' rate for four months only and day scholars' rate for the remaining six months. The total amount of maintenance allowance to be disbursed to the students was ₹57.55 lakh instead of ₹75.13 lakh. Details are shown in **Table 2.81**.

Table 2.81: Excess payment of post-matric scholarship

Group	No. of beneficiaries	Maintenance allowance/month (in ₹)		No. of months entitled for		Amount to be paid (in ₹)	Amount paid (in ₹)	Excess (in ₹)
		Hostellers	Day scholar	Hostellers rate	Day Scholar rate			
	A	B	C	D	E	F= Ax (BxD+CxE)	G	G-F
I	92	1200	550	4	6	745200.00	1104000.00	358800.00
II	560	820	530	4	6	3617600.00	4592000.00	974400.00
III	111	570	300	4	6	452880.00	632700.00	179820.00
IV	59	380	230	4	6	171100.00	224200.00	53100.00
V	320	300	200	4	6	768000.00	960000.00	192000.00
Total	1142					5754780.00	7512900.00	1758120.00

Source: Records of SJETA and Higher & Technical Education Department

Thus, due to disbursement of scholarship at hostellers' rates for 10 months, there was an excess payment of ₹17.58 lakh.

The Department in its reply (25 August 2022) stated that there is no provision for disbursing partial scholarships to students. Hence, any student admitted to any course will get the full scholarship amount.

During Exit Conference (29 August 2022), the Department assured that they will look into the matter and take necessary action, if required.

The Department's reply is not relevant as the Department already knew that hostel facilities were open for four months during academic session 2020-21 due to Covid-19 pandemic and could have restricted the scholarship amount before disbursement.

Recommendation: The Department may ensure that disbursement of maintenance allowance and payment of scholarship is in accordance with the rates prescribed.

2.5.8.9 Beneficiaries availing scholarships from more than one scheme

Para III (xii) of Post-Matric scholarship scheme guidelines states that the scholarship holder under this scheme will not hold any other scholarship/stipend. Further Para IX (ii) of the scheme guidelines stipulates that if a student is found to have obtained a scholarship by false statements his/her scholarship will be cancelled forthwith and the amount of the scholarship paid will be recovered, at the discretion of the concerned State Government.

In Arunachal Pradesh, many scholarship schemes *viz.* Junior Research Fellowship, State Stipend Scheme, Post-Matric scholarship scheme *etc.* are implemented under an umbrella scheme in NSP. Ideally, if a student applies in more than one scholarship scheme, his/her application will be rejected by NSP automatically. Audit however observed that many scholarship schemes were not included under the umbrella scheme. As such, many students were availing benefits of more than one scheme.

Out of 52 sampled institutes, it was found that in one sampled institute (Rajiv Gandhi University, Rono hill), 189 scholars who were pursuing M. Phil or PhDs received benefits (₹53.41 lakh) under Post-Matric scholarship scheme.

Scrutiny of records of 189 beneficiaries revealed that 169 beneficiaries⁷⁸ were availing scholarship/ fellowship from other schemes *viz.* National Fellowship for Scheduled Tribe students (NFST), Maulana Azad National Fellowship (MANF), National Edibility Test-Junior Research Fellowship (NET-JRF) and Non-NET fellowship. It was observed that during 2019-2021, 169 beneficiaries availed a total amount of ₹46.45 lakh from post-matric scholarship scheme and ₹1.59 crore from other schemes. As per the scheme guidelines the scholarship holder under this scheme will not hold any other scholarship/ stipend. The applications of the students should not have been approved by the INOs and SNOs. Moreover, records made available did not indicate that the scholarship paid was recovered.

The Department in its reply (25 August 2022) stated that it was the responsibility of the Institute Nodal Officer to identify such cases before approving the applications.

During Exit Conference (29 August 2022) the Department accepted the audit finding and assured that they will write to the authorities of Rajiv Gandhi University to ensure that each applicant draws only one scholarship.

⁷⁸ 169 received scholarships from two or more schemes, 16 received scholarships in successive years and 01 scholar received scholarship from 03 schemes.

However, the existing system of checking applications was not effective which led to payment of scholarship to beneficiaries who were also availing scholarship from other schemes.

2.5.9 Monitoring and Evaluation

Monitoring and Evaluation is used to assess the performance of the scheme and to ensure that the objectives for which the scheme is initiated are achieved. The purpose of monitoring and Evaluation is to improve current and future management of outputs, outcomes and impact.

2.5.9.1 Lack of evaluation and Impact Assessment

No committee/mechanism had been formed/created at State and district level for periodic review of the progress of the scheme. Further, no Social Audit of the scheme implementation was conducted during 2017-21.

No comprehensive evaluation of the schemes was being carried out to assess the outcome or impact of the scheme. Audit observed that evaluation of the scheme had not been carried out by the Department during the period of SSCA. No specific outcome indicators were fixed by the State Government for measuring the impact of the scheme. As a result, effectiveness/outcome of the scheme could not be assessed.

The Department in its reply (25 August 2022) stated that no mechanism or policy exists for monitoring of the scheme and accepted that no comprehensive evaluation of the schemes was carried out. The Department also added that they did not formulate outcome indicators for the scholarship schemes, while, the Finance Department had been working on the preparation of outcome indicator.

However, even after lapse of more than six years from the implementation of the scheme through NSP in the State, neither comprehensive evaluation of the scheme was carried out nor specific outcome indicators were fixed. Also, no periodic review and social audit was conducted.

2.5.9.2 Quarterly Progress Reports

The Guidelines of the schemes provide that State Governments and Union Territory Administrations implementing the scheme will furnish data of beneficiaries and expenditure under the scheme, to GoI, regularly in the Quarterly Progress Reports (QPR) whose proforma would be separately prescribed. It was however observed that the Departments have not been submitting quarterly progress reports to GoI regularly.

The Department in its reply (25 August 2022) stated that various reports are submitted from time to time as per format provided by GoI. The Department also provides information to GoI during periodic video conference. Further during Exit Conference (29 August 2022), the Department stated that the information was already available in NSP application and accessible to GOI. Hence submission of QPR periodically was not required.

The reply is not acceptable because the scheme guidelines specifically emphasize that the State Government should regularly furnish Quarterly Progress Report.

2.5.9.3 Non-displaying school-wise data of students receiving scholarship at district level on the web-site

As per Post-Matric Scholarship Scheme guidelines, the states should ensure that an institution-wise list of awardees, with necessary particulars, for award of scholarships is displayed on the web-site of NIC at District level.

Audit observed that even after lapse of more than six years of implementation of the scheme in the state, institution-wise list of awardees, with necessary particulars, for award of scholarships was not displayed on the web-site of NIC at District level.

The Department in its reply (25 August 2022) stated that district-wise data of schools can be displayed in the Department's website if NSP permits.

During Exit Conference (29 August 2022), the Department accepted the audit finding and assured that necessary action will be taken.

The reply is not relevant because the Department has access to NSP data which can be easily extracted and displayed on the web-site of NIC at District level as envisaged in the scheme guidelines.

2.5.9.4 Grievances Redressal Mechanism at State and District level

The Guidelines of the scheme provide that State will designate Grievance Redressal Officers at the State and District levels to ensure expeditious redressal of grievances of ST students.

Grievances redressal mechanism for the scheme neither existed at District level nor at State level. It was observed that records relating to the actual number of grievances received and addressed were not maintained. Further, out of 1,73,461 applications approved during 2017-23, scholarship amount was disbursed to 1,70,568 beneficiaries and scholarship amount for the remaining 2,893 of beneficiaries were not disbursed till date. The Department did not redress the issue relating to non-disbursal of scholarship for the approved 2,893 beneficiaries.

The Department in its reply (25 August 2022) stated that the State Nodal Officer is designated for addressing the grievances of students. During Exit Conference (29 August 2022), the Department accepted the audit finding and assured that necessary action will be taken.

2.5.10 Conclusion

The schemes for both Pre-Matric and Post-Matric Scholarship for ST were implemented without adequate planning, monitoring and evaluation systems in place. The State neither had any comprehensive database of eligible students nor had prepared any action plans for assessing the estimated number of beneficiaries and their timely coverage. No fixed timeline by GoAP has been prescribed for processing of applications, sanction and disbursal of scholarship and there were delays in payment of scholarship. There was no effective mechanism in the State for preparing Annual Demand on realistic basis.

There were persistent savings during 2017-2022. Due to the inability of the Department to consistently spend the available fund, scholarship was not disbursed to many approved beneficiaries. There was delay in releasing of fund from the State Government to

implementing Departments during 2017-22. Interest accrued in the dedicated account of the scheme was not remitted to the Consolidated Fund of India.

There was delay in disbursement of scholarship to students. Scholarship for 5,994 students (Pre-Matric: 3,557 students and Post-Matric: 2,437 students) was not disbursed despite their applications being approved. The existing system of checking applications was not effective which led to payment of scholarship to ineligible beneficiaries. Scholarship was disbursed to many students at hostellers' rate although the institutes did not have hostel facilities. In three institutes the number of beneficiaries (1,284) exceeded the total number of students enrolled (834) in the institutes. As many as 169 beneficiaries were availing scholarship from multiple schemes.

No committee/mechanism was formed/created at the State and District level for periodic review of the progress of the scheme. Internal/Social audit was absent. Grievance redressal mechanism both at State and District level was also not in place. Overall, there is an immediate requirement of eliminating deficiencies as discussed in the report while implementing recommendations in this report.

2.5.11 Recommendations

- *The Department may formulate uniform timelines for processing of applications by institutes, nodal Department and at NSP level.*
- *The database of the beneficiaries may be maintained and updated periodically through proper verification, to ensure that amount is disbursed to the actual beneficiaries.*
- *The Department may take measures to ensure timely release of funds from the State Government to the implementing agencies*
- *The State Government may fix specific timelines for processing of applications and disbursement of scholarship*
- *The Department may put in place an effective system of verification of applications to ensure that scholarship is not awarded to ineligible beneficiaries. Further, Aadhaar seeding with bank accounts of beneficiaries may be ensured to avoid fraudulent payment.*
- *The Department may constitute Committees at the State and District level to monitor the implementation of the scheme.*
- *The State Government may designate Grievance Redressal Officers at the State and District levels.*
- *The Department may ensure that disbursement of maintenance allowance and payment of scholarship is in accordance with the rates prescribed.*

Compliance Audit Paragraphs

Public Health Engineering & Water Supply Department

2.6 Extra avoidable expenditure

Public Health Engineering & Water Supply (PHE&WS) Division, Seppa incurred an avoidable expenditure of ₹55.00 lakh on procurement of Galvanized Iron (GI) & Ductile Iron (DI) fittings at higher rates than the contracted rates besides incurring excess expenditure of ₹26.00 lakh over the estimated provision on procurement thereof.

Section 2.3.4 of CPWD Work Manual, 2014 stipulates that material deviations that significantly alter the scope of work from the original sanction should not be made without the approval of the authority that accorded administrative approval to the work, even though the cost of the same may be recovered by the savings on other items.

The Project 'Augmentation of water supply project at Seppa Township, (Phase-II)' was sanctioned (March 2019) for ₹15.00 crore under the Rural Infrastructure Development Fund (RIDF) XXIV. 90 per cent of the project cost of ₹13.50 crore was funded by NABARD as loan component and the remaining 10 per cent amounting to ₹1.50 crore was to be provided by the State Government. The objective of the project was to provide water supply to the Seppa Township with 4.57 million liter per day (MLD) water discharge. Water to the Seppa Town at present is fed by a 2.40 MLD treatment plant. Therefore, augmentation is required for the remaining 2.17 MLD to meet the full requirements of the town.

The Technical Sanction (TS) of the project was accorded by the Chief Engineer, PHE&WS Department, Western Zone for ₹15.00 crore in September 2019. The scope of work and abstract of cost as per TS is given in *Appendix-2.32*.

The Division invited tender for the components of the work with estimated cost of ₹11.28 crore⁷⁹ in September 2019 (including DI & GI fittings worth ₹1.00 crore). The work was awarded (November 2019) to a Naharlagun, Arunachal Pradesh based firm M/s Tama Fabrication Works at tender amount of ₹10.39 crore. The target date of completion of work was December 2021.

Scrutiny (August 2021) of records of the Executive Engineer, PHED&WS, Seppa Division revealed that:

- (i) The Division procured only 26 types of DI & GI fittings worth ₹1.26 crore (DI fitting: ₹86.65 lakh + GI fitting: ₹39.62 lakh) against 36 types of fittings provided in the estimate.
- (ii) Out of 26 different types of fittings procured, 20 types of fittings were procured from nine different suppliers at rates (₹1.03 crore) higher than the rates quoted (₹0.48 crore) by the firm 'M/s Tama Fabrication Work'. This had resulted in extra avoidable expenditure of ₹0.55 crore (₹1.03 crore - ₹0.48 crore).

Further, the procurement was made from the nine suppliers by splitting into 24 work orders in order to keep the value of each work order within the financial power⁸⁰ of the Executive

⁷⁹ Excluding procurement cost of DI & GI pipes at ₹3.57 crore

⁸⁰ upto 15 lakhs for splitting up subheads

Engineer to avoid necessity of obtaining approval from higher authority. The payment of ₹1.26 crore was released to contractors through 24 first and final bills/ vouchers between March 2020 and March 2021. The DI & GI fittings were entered in Material at Site (MAS) account and shown to have been utilised towards the work. However, the requirement of additional fittings over the technically sanctioned quantity and contracted to be supplied under the agreement was not available on record.

(iii) Against the estimated provision of ₹1.00 crore for DI & GI fittings, the division paid ₹1.26 crore on procurement of the fittings. Thus, the division incurred an excess expenditure of ₹0.26 crore due to payment made at a higher rate.

Thus, the division incurred an extra avoidable expenditure of ₹55.00 lakh on procurement of DI & GI fittings at higher rates than the contracted rates besides an excess expenditure of ₹26.00 lakh also incurred over the estimated provision on procurement.

The Department in its reply stated (April 2022) that due to dispute in ownership of land, the pipelines could not be laid down as per the original survey. The pipeline trajectory was changed from original survey, leading to excess requirement of GI&DI fittings over estimated quantity. Further, in order to overcome local issues, the GI&DI fittings were procured from local contractors instead of original contractor M/s Tama Fabrication Works. The Department also claimed to have made procurements at rates approved by the competent authority. However, no supporting documents were produced evidencing approval of procurement at rates higher than the contracted rates and of quantity in excess of the estimate. The reply of the Department is not acceptable as material deviations (excess procurement of fittings worth ₹26.00 lakh) without documents evidencing approval from the competent authority are irregular and in violation of provisions of CPWD Works Manual. Further, procurement of 20 DI & GI fittings from private suppliers at rates higher than the contract rates, led to an avoidable financial loss of ₹0.55 crore (₹1.03 crore - ₹0.48 crore) to the Government.

The matter was reported to the State Government (November 2022) and reply was not received as of September 2024.

Recommendation: The State Government may investigate the matter and take appropriate action after fixing responsibility for procurement of fittings at a rate higher than the contract rate. The State Government may also take action against excess procurement without proper approval of competent authority.

Education Department

2.7. Unauthorised expenditure and non-execution of works

The Deputy Director of School Education (DDSE) unauthorisedly expended ₹1.64 crore on unapproved works and paid an amount of ₹19.41 lakh to the contractor without execution of works from the fund allotted for implementation of Chief Minister Samast Shiksha Yojana (CMSSY) in Kurung Kumey District.

Rule 26 (ii) of General Financial Rules, 2017 stipulates that controlling officer in respect of funds placed at his disposal are to ensure that the expenditure is incurred for the purpose for which funds have been provided. Rule 28 of Receipt and Payment Rules, 1983 states that no

withdrawal of money may be made from the Government Account except by presentation of bill in support of relevant claim for the purpose. Further, according to Standard Operating Procedure (SOP) No. 5/20 of CPWD works manual 2019, the payments to contractors and others for the work done or other services rendered are made on the basis of measurements recorded in the Measurement Book (M.B.).

The objective of the Chief Minister Samast Shiksha Yojana (CMSSY) is to provide decentralised planning at the district level, provide flexible pool of resources for maintenance of Government schools & colleges, bridge the critical infrastructure gap in technology and to improve the quality of education imparted in schools and colleges by giving flexible funds in the state for procurement of learning materials, computer, sports equipment *etc.* and hiring of faculties of science and mathematics in Government schools. The pool of resources shall provide procurement of furniture, electrical wirings, repairing and maintenance of school/college buildings, teachers' quarters, hostels, toilets, classrooms, *etc.*

The scheme is to be administered by the State Level Executive Committee (SLEC) headed by the Commissioner (Education Department) at State level. At District level, the District Level Executive Committee (DLEC) chaired by the Deputy Commissioner (DC) is constituted. The DLEC shall draw the annual plan for each district by keeping in view the objectives of balanced distribution of resources and assessment made by it as regards gaps in physical and non-physical infrastructure.

The SLEC is accountable for preparation/ approval of the Annual Action Plan (AAP) for the state under the scheme by collating the District Action Plans prepared by the DLECs as per the guidelines. The SLEC shall furnish the AAP as proposed by the DLEC to the State Government. The scheme/ project for a particular year once approved by the SLEC as recommended in the Annual Action Plan shall not ordinarily be changed except after the recommendation by SLEC on account of operational difficulties and special circumstances. The guideline further states that work under the scheme can be executed by any of the State Government agencies⁸¹.

Scrutiny of the records of the Deputy Director of School Education (DDSE), Kurung Kumey District revealed that an amount of ₹4.60 crore was sanctioned to Kurung Kumey District under CMSSY for the year 2018-19. Out of the amount sanctioned, GoAP released ₹3.45 crore (75 per cent) in the 1st Instalment. The details of DLEC proposal as per AAP 2018-19 (out of 1st instalment) are shown in **Table 2.82**.

Table 2.82: Details of DLEC proposal

(₹ in lakh)

DLEC's proposal and SLEC's approval of works	Allocation of Amount
A. Procurement of various items	
Procurement of Electronics, Computer Peripheral, Benches and Wooden Desks	135.94
Sub-Total (A)	135.94
B. Hiring of Teachers and Allied Activities	
Hiring of Faculties for Specific Subjects and allied activities	34.00
Sub-Total (B)	34.00

⁸¹ Public Works Department (PWD), Rural Works Department (RWD), Public Health Engineering Department (PHED), Water Resources Department (WRD), Urban Development & Housing (UDH) Department

DLEC's proposal and SLEC's approval of works	Allocation of Amount
A. Procurement of various items	
C. Civil Work components	
C/o Teachers Quarters (Bachelors Barrack)	58.80
C/o Toilet Blocks with water connection	78.26
C/o Compound Wall	30.00
C/o ACR (Additional Classroom)	30.00
C/o Kitchen Shed for MDM	33.00
Renovation of Classroom at GUPS, Sango	5.00
C/o Boundary wall at GUPS, Mangdo	30.00
Repair and Maintenance	25.00
Sub-Total (C)	290.06
Grand Total (A + B + C)	460.00

Source: Annual Action Plan & PFMS payments advice for work orders

Out of the DLEC's proposal, the following works were approved by the SLEC and their actual execution is shown in **Table 2.83**.

Table 2.83: Approval of SLEC proposal vis-à-vis actual execution thereagainst

(₹ in lakh)

SLEC's approval of works	Allocation of Amount	Release of fund (75 per cent)	Actual execution	Amount
A. Procurement of various items				
Procurement of Electronics, Computer Peripheral, Benches and Wooden Desks	135.94	101.96	Procurement of Electronic, Computer Peripherals, Benches and Wooden Desks	101.96
Sub-Total (A)	135.94	101.96	Sub-Total (A)	101.96
B. Hiring of Teachers and Allied Activities				
Hiring of Faculties for Specific Subjects and allied activities	34.00	25.50	Hiring of Faculties for specific subjects	25.50
Sub-Total (B)	34.00	25.50	Sub-Total (B)	25.50
C. Civil Work components				
C/o Teachers Quarters (Bachelors Barrack)	58.80	44.10	Renovation and Maintenance	163.54
C/o Toilet Blocks with water connection	78.26	58.69	C/o Boundary Wall	28.95
C/o Compound Wall	30.00	22.50	C/o 2 units of Bachelors Barrack	14.48
C/o ACR (Additional Classroom)	30.00	22.50	C/o Kitchen Shed with store room	4.93
C/o Kitchen Shed for MDM	33.00	24.75		
Renovation of Classroom at GUPS, Sango	5.00	3.75		
C/o Boundary wall at GUPS, Mangdo	30.00	22.50		
Sub-Total (C)	290.06	217.54	Sub-Total (C)	211.90
Grand Total (A + B + C)	460.00	345.00	Grand Total (A + B + C)	339.36

Source: Annual Action Plan & PFMS payments advice for work orders

It can be seen from the table above that 1st instalment of ₹3.45 crore (75 per cent of ₹4.60 crore) was released by GoAP during 2018-19 and the funds were earmarked for civil work components (₹2.18 crore), procurement of various items (₹1.02 crore) and hiring of teachers & allied activities (₹0.25 crore).

Scrutiny of approval of SLEC *vis-à-vis* actual execution of works revealed that-

- The civil work components were executed by Engineering Wing, Education Department, GoAP. Thus, the Department violated the scheme guidelines without engaging the specified State Government agencies.
- The proposal of DLEC on “Repair and Maintenance” for ₹25.00 lakh was not approved by the SLEC on the ground that the proposal was not covered under the guidelines.
- The Department incurred an expenditure of ₹2.12 crore on civil work components against the provision of ₹2.17 crore. The remaining ₹5.65 lakh (₹217.55 lakh - ₹211.90 lakh) of the release was not utilised.
- Out of ₹2.12 crore approved by the SLEC on civil work component, an expenditure of ₹1.64 crore was incurred by the department on ‘Renovation and Maintenance work’, which was not approved by the SLEC. Thus, the entire expenditure of ₹1.64 crore was incurred without the approval of SLEC and on the items which were not covered under the scheme guidelines.
- ✓ The works were executed by issuing work orders to various contractors without inviting tender. The payment was released to the contractors through Public Financial Management System (PFMS) without any bills in support of the claim for the works executed.
- ✓ Scrutiny of Measurement Books (MBs) revealed that quantity of works executed at ₹83.93 lakh was not recorded.
- ✓ As per Utilisation Certificate (UC) submitted by the Department in September 2019, the fund was shown fully utilised for the purpose for which it was sanctioned. However, the claim of the Department was not true as either the original approved works were not executed or the funds were diverted in execution of unapproved works.

The Department in their reply stated (April 2022) that the decision to divert the funds was approved by the DLEC in its meeting under the chairmanship of the then DC-cum-chairman of DLEC after the SLEC approved the AAP (2018-19) for the district. The reply of the Department confirms that the DLEC had deviated from the Action Plan without obtaining recommendations from the SLEC, which tantamounted to violating the Scheme guidelines.

- Two works *viz.* “C/o 02 units of Bachelors Barrack” and “C/o kitchen shed with storeroom” amounting to ₹19.41 lakh were not executed by the Department. However, the payment was made to the contractor.

The Department accepted the facts (April 2022).

Thus, the DDSE unauthorisedly expended ₹1.64 crore on unapproved works and paid ₹19.41 lakh to the contractor without execution of works.

The matter was reported to the State Government in June 2023. However, no reply was received as of September 2024.

Recommendations:

The State Government may take appropriate action to fix responsibility against concerned officers/officials for diversion of funds to un-authorised works and for making payments without execution of works while initiating recovery of payment made to the contractor without execution of works.