

## CHAPTER – III

### CIVIL DEPARTMENTS

#### SECTION – A – REVIEWS

#### ANIMAL HUSBANDRY AND VETERINARY DEPARTMENT

### 3.1 Poultry Development Scheme

#### *Highlights*

*The review highlights the failure of the State Government to utilise the available Central funds, and in the fixing of annual targets and, also, unauthorised utilisation of funds.*

Central fund of Rs.70 lakh relating to the year 2002-03 for establishment of State Turkey Breeding Farm at Selesih was not released by the State Government till June 2003.

*(Paragraph 3.1.7)*

No annual target was fixed for different activities under the Poultry Development Scheme.

*(Paragraph 3.1.10)*

Entertainment of excess muster roll labourers as poultry attendants led to extra expenditure of Rs.27.75 lakh over the prescribed norm. Expenditure of Rs.11.97 lakh from the allotment to Poultry Development Scheme was unauthorised.

*(Paragraphs 3.1.11 and 3.1.12)*

Underutilisation of hatching and incubating machines in the farms ranged from 77 to 97 per cent.

*(Paragraph 3.1.13)*

Procurement and distribution of poultry machines/appliances amounting to Rs.19.37 lakh was not properly documented and was thus doubtful.

*(Paragraph 3.1.14)*

Seven poultry farms in the State incurred loss of Rs.3 crore during 1998-99 to 2002-03.

*(Paragraph 3.1.18)*

**Lack of monitoring and proper evaluation of the scheme in the State was evident.**

*(Paragraph 3.1.22)*

**3.1.1 Introduction**

Poultry farming has great potential in Mizoram. It provides not only protein food but also livelihood to the people of the State. The State has the highest population of poultry amongst other livestock of the State. According to the administrative report of the Animal Husbandry and Veterinary Department for the year 1998-99, poultry population in the State was 12.94 lakh. Thereafter, no such report has been published by the Department.

Keeping in view the scope and prospect, the scheme of poultry development was launched in the then Union Territory of Mizoram during 1971-72. The emphasis was given on upgrading of local stock through cross-breeding with exotic breeds. The State established eight<sup>Ω</sup> poultry farms as of March 2003, of which one Poultry Demonstration Farm at Saiha was declared defunct.

The main objective of the scheme was to replace the indigenous breed with exotic/cross-breed poultry for better performance. For this purpose, departmental farms were started to upgrade the local poultry farms through scientific breeding, improved health care and management for production of more eggs and table birds and to support economic activities of livestock keepers belonging to weaker sections of the society.

During 1999-2000, the initiative of the State Government on poultry development was boosted by Central Government introducing a Centrally Sponsored Scheme (CSS) for providing *cent per cent* Central assistance to State Poultry/Duck Farm. The objectives of the Central Scheme were to encourage backyard poultry among unorganized sector of poultry farmers of marginal groups, landless labourers and other socially backward sectors of population. The basic idea of the Central scheme was to increase eggs and meat production in the State by suitably replacing quality chicks with low-input technology which the small and marginal farmers are able to absorb and adapt.

**3.1.2 Organisational set up**

At the State level, Secretary is the head of the Animal Husbandry and Veterinary (AH & Vety.) Department. The Director of AH & Vety., is in

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<sup>Ω</sup> (i) Poultry Demonstration Farm, Thanzawl (1971), (ii) Poultry Demonstration Farm, Thingdawl (1971), (iii) Poultry Demonstration Farm, Lunglei (1975), (iv) Central Poultry Farm, Selesih (1976), (v) Regional Broiler Chicks Farm, Tanhril (1983), (vi) Poultry Demonstration Farm, Champhai (1983), (vii) Poultry Demonstration Farm, Saiha {1986 (Defunct)} (viii) Poultry Demonstration Farm, Serchhip (1990).

overall charge of the scheme and is assisted by one Programme Officer (Poultry). At the District level, the District AH & Vety. Officers of Serchhip, Lunglei, Kolasib, Saiha and Champhai were the Drawing and Disbursing Officers (DDO) of the poultry farms of the respective districts. However, in respect of Tanhril and Selesih Poultry Farms, respective General Managers (GM) being DDOs of the farms, were responsible for supervision of activities of their respective poultry farms. In Aizawl district there were two independent DDOs for supervision of activities of two poultry farms.

### 3.1.3 Audit coverage

Records of the Director, AH & Vety., Statistical Wing attached to the Directorate, GM, Regional Broiler Chick Farm, Tanhril and Manager, Poultry Farm, Selesih and District Veterinary Officer (DVO), Serchhip and Lunglei pertaining to the period from 1998-99 to 2002-03 covering 83.77 per cent of total expenditure were test checked in audit during May/June 2003. Important points noticed during audit are summarised in the succeeding paragraphs.

### 3.1.4 Budget provision and expenditure

The budget provision and expenditure alongwith CSS for the years 1998-99 to 2002-03 with resultant excess/savings are given below:

**Table 3.1**

**(Rupees in lakh)**

Year	Budget allotment	Expenditure	Excess (+)/Savings(-)	
1998-99	Plan	21.00	20.88	(-) 0.12
	Non Plan	34.80	31.72	(-) 3.08
	CSS	---	---	---
1999-2000	Plan	26.82	29.38	(+) 2.56
	Non Plan	35.60	31.15	(-) 4.45
	CSS	45.00	41.46	(-) 3.54
2000-01	Plan	26.80	23.58	(-) 3.22
	Non-Plan	40.00	39.46	(-) 0.54
	CSS	45.00	---	(-) 45.00
2001-02	Plan	27.00	28.47	(+) 1.47
	Non-Plan	42.40	43.80	(+) 1.40
	CSS	---	33.54	(+) 11.46

(Rupees in lakh)

Year	Budget allotment	Expenditure	Excess (+)/Savings(-)	
2002-03	Plan	27.00	27.70	(+) 0.70
	Non-Plan	43.85	43.85	---
	CSS	70.00	---	(-) 70.00
<b>Total</b>	<b>Plan</b>	<b>128.62</b>	<b>130.01</b>	<b>(+) 1.39</b>
	<b>Non-Plan</b>	<b>196.65</b>	<b>189.98</b>	<b>(-) 6.67</b>
	<b>CSS</b>	<b>160.00</b>	<b>75.00</b>	<b>(-) 85.00</b>

(Source: Expenditure statement and information furnished by the department)

### 3.1.5 Irregular reporting of utilisation of fund to the Government of India

During 1999-2000 and 2000-01, one time grant as *cent per cent* Central assistance of Rs.45 lakh each to two poultry farms namely, Regional Broiler Chicks Farm, Tanhril and Poultry Farm, Selesih was sanctioned by the Government of India in July 1999 and November 2000 respectively. Out of the sanctioned amount of Rs.90 lakh, an amount of Rs.75 lakh was spent by the two farms during 1999-2000 and 2001-02 leaving Rs.15 lakh as unspent balance.

Scrutiny of records of the Directorate as well as Poultry Farm, Selesih (May-June 2003) revealed that the Directorate deposited an amount of Rs.15 lakh in bank towards revolving fund of the Selesih Poultry Farm on 30 April 2003. But in the utilisation certificate submitted to the Government of India on November 2001, the fund was shown to have been utilised for the purpose for which it was sanctioned. Thus, there was mis-representation of fact reported to the Government of India in respect of actual utilisation of fund of Rs.15 lakh.

### 3.1.6 Unauthorised deposit of CSS fund under Civil deposit

Out of the CSS allotment of Rs.90 lakh during 1999-2000 and 2000-01 under Poultry Development Scheme, the State Government, instead of releasing the entire amount to the Directorate (nodal department), deposited an amount of Rs.50.31 lakh under civil deposit and released it after retaining the money for a period of 2 to 12 months as shown below:

Table 3.2

Sl.No.	Date of sanction by GOI	Amount of sanction (Rupees in lakh)	Date of deposit	Amount under civil-deposit (Rupees in lakh)	Date of withdrawal from civil deposit	Amount (Rupees in lakh)	Period of retention
1.	19.7.1999	45.00	31.3.2000	15.00	10.8.2000	15.00	4 months 10 days
2.				9.00	9.6.2000	6.00	2 months 9 days
3.					20.7.2000	3.00	3 months 20 days
4.				7.98	19.7.2000	7.98	3 months 19 days
5.	21.11.2000	45.00	30.3.2002	3.33	1.8.2002	3.33	4 months
6.				15.00	14.11.2002	5.00	7 months 14 days
7.					31.3.2003	5.00	12 months
8.					31.3.2003	5.00	12 months
<b>Total</b>		<b>90.00</b>		<b>50.31</b>			

(Source: Information furnished by the department)

Thus, due to unauthorised retention of a major portion of (55.9 per cent) of CSS fund in Civil deposit for the period ranging between 2 and 12 months, there was delay in implementation of the programme in the State to that extent.

### 3.1.7 Non- release of CSS fund by the State Government

During 2002-03, an amount of Rs.70 lakh under CSS being *cent per cent* Central assistance to the State Poultry Farm was sanctioned by the Government of India on 7 February 2003 for the Turkey Breeding Farm at Selesih during 2002-03. The State Government did not release the fund till the date of audit (June 2003). This had an adverse affect on the implementation of the scheme.

### Implementation of the Scheme

#### 3.1.8 Non-establishment of poultry farms in all the districts of the State

Poultry farms in the State were not established in each district of the State. At present there are eight districts in the State. In Aizawl and Serchhip districts, there are two poultry farms each, whereas, Lawngtlai, Saiha and Mamit districts had no poultry farm. Though a poultry farm was established in Saiha during 1986 it was damaged during 1995 cyclone and was closed. Thereafter, the farm at Saiha was not revived.

Thus, due to non-establishment of poultry farm in each district of the State, the weaker sections of society in the districts of Lawngtlai, Mamit and Saiha were

deprived of the benefit of implementation of poultry development scheme of the State and the scheme remained limited only to five of the eight districts.

### 3.1.9 Lack of hatching facilities in the poultry farms

Though there are seven poultry farms in the State, only two farms namely, Tanhril and Lunglei had the facility of hatching eggs. The other farms are merely poultry rearing farms without other facilities. The produce of the farms are limited to growers, table eggs and litters only. No record was available to show if any effort was made to renovate and upgrade these poultry farms. Establishment of farms without hatching facility frustrated the objective of scientific breeding in the farms.

### 3.1.10 Non-fixation of target under the Poultry Development Scheme

No year-wise target for various activities of the scheme showing the production, revenue collection, etc., was ever fixed by the Department. In respect of the demonstration activities of the farms, not a single test checked poultry farm could produce any record on public demonstration on poultry farming. There was, thus, little help and encouragement from the departmental poultry farms to the poor farmers of the State in respect of improved technology on poultry farming.

Thus, without target, achievement and demonstration activities, the departmental poultry farms were functioning aimlessly without any concrete mission ahead.

### 3.1.11 Extra expenditure on excess deployment of muster rolls in poultry farms

According to the norms prescribed in the Departmental Farm Management Schedule 1997, in every poultry farm, there should be one poultry attendant for every 500 adult birds and every 1000 chicks, for their upkeep in the farms.

Taking departmental norms into account and stock position as given in the progress report furnished by the department for 1998-99 to 2002-03, in seven poultry farms, against the requirements of 81 poultry attendants, there were 205 poultry attendants (regular 35 and muster roll 170) on roll. Thus, there were 124 poultry attendants deployed in excess over the norm during 1998-99 to 2002-03, of which 120 attendants were muster roll employees. Thus, the department had to incur an extra expenditure of Rs.27.75<sup>Ψ</sup> lakh on excess

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Year	Excess muster roll	Rate (In Rs.)	Mandays	Amounts (In Rs.)
1998-99	20	45	365	3,28,500
1999-2000	32	45	236	3,39,840
2000-01	32	70	129	2,88,960
2000-01	32	70	365	8,17,600
2001-02	21	70	334	4,90,980
2001-02	21	84	31	54,684
2002-03	15	84	361	4,54,860
<b>Total</b>	<b>120</b>		<b>1821</b>	<b>27,75,242</b>

*i.e. Rs.27.75 lakh*

deployment of 120 employees beyond the norms prescribed in the Departmental schedule. The reason for such excess deployment of muster rolls was not on record.

### ***3.1.12 Unauthorised/irregular expenditure under Poultry Development Scheme***

Scrutiny of expenditure statement along with other records furnished by the Department in respect of poultry development scheme for the period 1998-99 to 2002-03 revealed that an expenditure of Rs.11.97 lakh towards salary (Rs.11.14 lakh), travel expenses (Rs.0.17 lakh), office expenses (Rs.0.25 lakh), miscellaneous works (Rs.0.30 lakh), etc., was incurred by the DVOs of Aizawl (Rs.11.77 lakh) and Saiha (Rs.0.20 lakh) on the basis of fund released by the Directorate from the allotment of poultry development scheme. The DVO, Aizawl was no way related to the poultry development scheme because there were two poultry farms in the district of Aizawl under independent DDOs for whom separate funds were allotted and under DVO, Saiha there was no functional poultry farm since 1998-99 till date (March 2003). Thus, the release of Rs.11.97 lakh by the Directorate from the funds allotted to poultry development scheme for incurring expenditure by the DVOs, Aizawl and Saiha was irregular and unauthorised.

Similarly, expenditure of Rs.3.52 lakh was incurred by the Assistant General Manager, Mumpui farm between June 1998 and February 2003 from the funds allotted to poultry development scheme even though no stock of poultry existed in the farm during this period.

### ***3.1.13 Underutilisation of hatching machine/incubators in the poultry farms***

The Regional Broiler Chick Farm (RBCF), Tanhril was equipped with four incubators (15,000 eggs capacity each) and an equal number of hatchers (5,000 eggs capacity each) as on March 2002, of which, one hatcher and two incubators were non-functional. Since no stock book was maintained either in the Farm or at the Directorate, the cost of these non-functional machines and date from when they became non-functional could not be ascertained in audit. Reasons for keeping these non-functional machines without repairing them or disposing them off through auction were neither on record nor stated to audit. However, during 2002-03, another incubator (15,000 eggs capacity) and a hatcher (5,000 eggs capacity) were procured at the Tanhril Poultry Farm. Thus, at the end of March 2003, there were three incubators (15,000 eggs capacity each) and four hatchers (5,000 eggs capacity each) in the Tanhril Farm all of which were functional.

In respect of Lunglei Poultry Farm, there was only one incubator cum hatcher of 2,200 eggs capacity.

Normally, eggs can be incubated and hatched within a maximum period of one month in a farm. In this way, in the Tanhril Farm, in a year 1,80,000 eggs can

be incubated and 60,000 eggs can be hatched in one machine. In Lunglei Poultry Farm, 26,400 eggs can be incubated and hatched in one machine during a year.

Scrutiny of the hatching reports of the Tanhril and Lunglei Poultry Farms for the period 1998-99 to 2002-03 revealed that there was underutilisation of hatching and incubating machines in the farms ranging from 77 to 97 per cent, details of which are shown in **Appendix-XIV**.

In the Tanhril poultry farm against the total capacity of 1,80,000 (5000 x 3 x 12 months) per year during 1998-2002 and 2,40,000 (5000 x 4 x 12 months) during 2002-03, the actual output derived per year from three hatchers ranged from 16,309 to 40,714 during 1998-99 to 2002-03 while the capacity of one hatcher was 60,000 per year indicating that there was underutilisation of even one hatcher. Similarly, in the case of incubator, there was underutilisation ranging from 89 to 95 per cent and one machine would have been enough for attaining the actual production level of this farm. In the Lunglei Poultry farm also, the underutilisation of one hatcher cum incubator during five years ranged between 84 to 97 per cent. The reason for unnecessary procurement of machines without assessing the requirement with reference to the production capacity of the farms leading to underutilisation up to a maximum of 97 per cent, could not be explained to audit.

### 3.1.14 Doubtful procurement of poultry machines/appliances

Scrutiny of implementation records of CSS for the years 1999-2000 and 2000-01 disclosed that an amount of Rs.90 lakh was sanctioned for Poultry Farms, Tanhril and Selesih. Of this, a total amount of Rs.19.37 lakh was shown as paid to different suppliers against supply of equipment, which were not received, as detailed below:

**Table 3.3**

Sl. No.	Bill No. & date	Vr. No. & date	Particulars	Quantity	Rate (Rs.)	Amount (Rs.)
1	2	3	4	5	6	7
1.	1539 dt 22.3.2000	5/AH dt 19.7.2000	Mobile Poultry Feed Plant	1	7,97,775	7,97,775
2.	710 dt 15.2.2001	14/AH dt 22.3.2000	Solar Thermal Devices	1	55,510	55,510
3.	891 dt 14.3.2001	13/AH dt 14.3.2001	Solar Cuba	1	19,975	19,975
4.	-do-	-do-	Solar Thermal devices	1 set	35,800	35,800
5.	-do-	38/AH dt 14.3.2001	Solar Thermal accessories	1 set	6,800	6,800
6.	890 dt 27.3.2001	47-51/AH dt 27.3.2001	Automatic Brooder for Chicks	5 sets	9,000	45,000
7.	1540 dt 22.3.2000	81/AH dt 5.6.2002	Dayal Automatic Egg Setters, 15000 cap.	1	1,90,000 CST	1,90,000 7600
8.	-do-	-do-	Dayal Automatic Hatcher, 5000 cap.	1	1,40,000	1,40,000



1	2	3	4	5	6	7
9.	775 dt 1.3.2001	15/AH dt 19.1.2001	Dayal Automatic Egg Setters, 15,000 cap.	1	1,90,000 CST	1,90,000 7600
10.	-do-	-do-	Dayal Automatic Hatcher, 5000 cap.	1	1,40,000 CST	1,40,000 5600
11.	960 dt 30.3.2002	82/AH dt 6.5.2002	All Automatic Hatcher, 500 cap.	1	1,40,000 CST	1,40,000 5600
12.	1442 dt 7.3.2000	1/AH dt 30.3.2000	Automatic Brooder for Chicks	10 sets	9,000	90,000
13.	-do-	-do-	Gas Brooder for Chicks	5	12,000	60,000
<b>Total</b>						<b>19,37,260</b>

(Source: Expenditure statement, stock book vouchers and information furnished by the department)

According to the scheme, a mobile poultry feed plant was to be purchased for Tanhril Poultry Farm during 1999-2000. Though the feed plant was shown as procured, the supporting records of purchases like final bill of supplier, delivery challans with vehicle number, chassis number of the machine, stock book entry and receipt *etc.*, are neither available at the Directorate nor at the respective poultry farms. Only the amount of Rs.7.98 lakh was shown as paid through a proforma bill dated 11.02.2000 against supply order dated 7.02.2000. There was no name and address of the supplier in the bill. On the other hand, the GM of the Tanhril Poultry Farm confirmed (June 2003) the fact that no such machine was purchased and installed at Tanhril Poultry Farm. Thus, the payment of Rs.7.98 lakh for purchase of one mobile poultry feed plant seemed to be fictitious and the matter needed to be investigated thoroughly.

Between March 2000 and March 2002, a total amount of Rs.12.50 lakh had been paid to 2 Aizawl based firms for supply of four automatic hatchers, three automatic egg setters and one incubator-cum-hatcher. Of this, one hatcher and one setter worth Rs.3.30 lakh were received by GM, Tanhril Poultry Farm. One hatcher cum incubator worth Rs.0.94 lakh was also received by DVO, Lunglei. But the remaining three hatchers and two setters for which Rs.8.26 lakh had already been paid to the suppliers were neither received nor could their whereabouts be given to audit. In Tanhril Poultry Farm, there were already three hatchers and two incubators available and one incubator and one hatcher were also received by the farm on April 2002. Thus, the total position of hatchers and incubators became four and three respectively in the farm, and no more hatchers and incubators were required.

The incubators and hatchers of Dayal's brand were supplied by two Aizawl based local suppliers. In actual fact, they were not the authorised dealers of the Dayal Poultry Appliances, New Delhi. For supply of Dayal's poultry appliances, M/s Interlinks, New Delhi was the authorized dealer of the company for Mizoram (according to the company's letter of July 1999). So local suppliers without valid dealership certificate were not authorised to supply Dayal's appliances in the State of Mizoram. On the other hand, neither

the Directorate nor the concerned poultry farm could produce stock entry records, delivery challan as well as, installation reports of the hatchers and incubators.

Other materials/equipment like solar thermal devices, accessories, automatic brooder *etc.* (as referred to in Table 3.3) which were shown as procured at a cost of Rs.3.13 lakh were neither recorded in stock of Directorate nor in the concerned poultry farms and no other supporting purchase records were available in the Directorate.

Thus, the procurement of poultry appliances amounting to Rs.19.37 lakh under CSS remained doubtful which evidently retarded the implementation of *cent per cent* one time assistance to poultry farm scheme in the State.

### 3.1.15 Fictitious payment for construction/renovation works under CSS

Out of the CSS sanction of Rs.45 lakh during 2000-01 under one time assistance to poultry farm at Selesih, an expenditure of Rs.4.51 lakh was shown to have been incurred as under:

**Table 3.4**

Sl.No.	Particular of works	Work order date	Period of work	Bill No. & date	Amount (Rupees)
1.	Improvement of hatchery building at Selesih	18.2.2002	18.2.2002 to 22.2.2002	784 dt 21.3.2002	1,18,286
2.	Construction of RCC building at Selesih	18.3.2002	18.3.2002 to 11.6.2002	476 dt 30.3.2002	3,33,057
				<b>Total</b>	<b>4,51,343</b>

(Source : As per voucher and information furnished by the department)

Scrutiny of records at Directorate as well as Selesih Poultry Farm revealed that during 2001-02 neither was any hatchery building constructed nor any renovation work at hatchery building done at Selesih. As the Selesih Poultry Farm had no hatching provision, no separate building was in existence for this purpose and as such, there was no question of doing any renovation work at hatchery building. It is also not clear as to how a new hatchery building construction could have been started immediately after one month of its improvement. In reply to a query, the Director stated (June 2003) that for successful implementation of the project, construction of hatchery building and placement of their equipments were done in Tanhril Departmental Farm where there was better power supply. But the reply was not acceptable as the expenditure of Rs.4.51 lakh on construction and renovation of the building was related to the poultry farm at Selesih and not at Tanhril departmental farm.

Thus, expenditure of Rs.4.51 lakh shown to have been incurred for construction/renovation work of hatchery building from CSS allotment remained doubtful.

### 3.1.16 Irregular procurement and doubtful utilisation of stock of materials under CSS

Under the scheme ‘One time assistance to State Poultry Farms’ during 1999-2000 and 2000-01, the Director procured the following stock of non-permissible items amounting to Rs.4.26 lakh without evidence of stock receipt and their utilisation.

**Table 3.5**

Sl. No.	Items of stock	Amount (Rupees)
1.	Hatching eggs, chicks, freight charge of egg, etc.	1,81,856
2.	Computer accessories, debaker machines etc.	99,345
3.	Charcoal	56,000
4.	Electrical goods	88,422
<b>Total</b>		<b>4,25,623</b>

(Source: Vouchers and expenditure statement)

The items like hatching eggs, chicks, freight charges, electrical goods, etc., are the items which are to be procured by utilising revolving fund of the respective poultry farm. Computer and debeaker machine are not available in any of the CSS implemented poultry farms. Charcoal is not recommended in poultry rearing as confirmed by DVO, Lunglei.

In respect of their utilisation neither were the items received at Directorate nor were they received and utilised at any of the poultry farms. In reply to a query, the Director stated (June 2003) that the stock register showing the receipt and distribution of hatching eggs, chicks, freight charge, computer accessories, charcoal, etc., were not readily available at the Directorate.

Thus, expenditure of Rs.4.26 lakh was evidently fictitious.

### 3.1.17 Extra expenditure on transportation of poultry appliances

Scrutiny of detailed expenditure under CSS allotment of Rs.90 lakh during 1999-2000 and 2000-01 disclosed that an amount of Rs.2.13 lakh was paid to a supplier as transportation charge of poultry appliances from Delhi to Aizawl. As per supply orders, the materials were to be delivered at Tanhril Poultry Farm within two months from the date of issue of supply orders. There was no provision in the supply order for payment of extra transportation charges over and above the quoted rates of the appliances.

Thus, the payment of transportation charges of Rs.2.13 lakh was unjustified which led to extra expenditure under CSS. In reply to an audit query, the Director while admitting the fact stated (June 2003) that such extra payment towards transportation charges will not recur in future cases.

### 3.1.18 Financial results of the poultry farms

Financial results of the seven poultry farms for the period of 1998-99 to 2002-03 indicated that there was a loss of Rs.3<sup>ψ</sup> crore against an expenditure of Rs.3.63 crore on seven poultry farms during 1998-99 to 2002-03. The percentage of loss over expenditure incurred was 82.64. The total amount of revenue collected during five years amounting to Rs.63.26 lakh did not even cover the expenditure of Rs.1.21 crore on poultry feeding alone.

Thus, the poultry farms of the State could not perform at the desired level and also could not produce more meat and eggs as envisaged in the objectives of the scheme. The recurring loss year after year on the functioning of the poultry farms may be attributed to poor financial management as well as non-fixing of targets for revenue collection by the department.

### 3.1.19 Non-maintenance of basic records in the poultry farms

According to the Departmental Farm Management Schedule (DFMS), 1997, the following records and registers should be maintained in the poultry farms:

- (a) Chicks/Brooder Record Register
- (b) Grower Record Register
- (c) Layer Record – (i) Mortality Record Register  
(ii) Eggs production Record Register
- (d) Parents Stock Record Register
- (e) Broiler Card
- (f) Feed Register
- (g) Poultry Account/Return Register
- (h) Egg Collection and Sale Register
- (i) Hatching Register
- (j) Poultry Disposal Register

Test check of the records maintained in the establishment of Tanhril and Selesih Poultry Farms revealed that the farms were not maintaining any of the above records. Reasons for non-maintenance of required records was attributed to ignorance of staff by the respective General Managers of the farms. In the absence of these basic records, the performance of both the farms could not be ascertained in Audit.

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<sup>ψ</sup> Expenditure on Pay and allowances	Rs. 2.42 crore
Expenditure on Poultry feeding	Rs. 1.21 crore
<b>Total</b>	<b>Rs. 3.63 crore</b>
Less revenue collected Rs.63.26 lakh i.e.,	Rs. 0.63 crore
<b>Net Loss</b>	<b>Rs.3.00 crore</b>

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### 3.1.20 High mortality rate of poultry

According to norms under DFMS, 1997, the mortality rate of poultry is 5 per cent, 10 per cent and 20 per cent in respect of chicks, growers and adults. No bifurcation of chicks, grower and adult was shown in the annual progress report. However, there was very high mortality rate of poultry in every farm during 1998-99 to 2001-02. During 2000-01, in the Thinzawl Poultry Farm there was 100 per cent death of the poultry. In respect of other farms, the mortality rate ranged upto 75.36 per cent which is beyond any norm of mortality rate. No precautionary measures were adopted by the department to prevent the recurring death of poultry in the farms.

### 3.1.21 Low hatching rate led to loss

According to DFMS, 1997 total hatchability of eggs in a hatchery should be minimum of 60 per cent on total eggs basis. Test check of records of Lunglei Poultry Farm for the period of 1998-99 to 2002-03 revealed the following position.

**Table 3.6**

Sl. No.	Month	Total eggs purchased	Amount paid (Rupees)	Damaged eggs	Total eggs set for hatching	No. of chicks comes out	PC of hatching	Shortfall in respect of 60%	Amount of loss on total eggs (Rupees)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	5/98	2000	8000	40	1960	540	27.55	32.45	5840
2.	11/98	2180	8720	197	1983	230	11.59	48.41	7800
3.	6/99	1890	7560	10	1880	1167	62.07	---	2892
4.	9/2000	1050	4200	43	1007	137	13.60	46.40	3652
5.	10/2000	1130	4520	40	1090	448	41.10	18.90	3448
6.	2/2001	1225	4900	-	1225	418	34.12	25.88	3228
7.	3/2001	1470	5880	27	1443	625	43.30	16.70	3380
8.	4/2001	1680	6720	98	1582	470	29.70	30.03	4840
9.	5/2001	810	3240	44	766	110	14.36	45.64	2800
10.	8/2001	2490	9720	90	2340	820	35.00	25.00	6513
11.	9/2001	2100	8400	50	2050+120	850	39.17	20.83	5000
12.	10/2001	1790	7160	60	1730	705	40.75	19.25	4340
13.	1/2002	2212	8400	64	2148	1003	46.69	13.31	4594
14.	3/2002	2100	8400	93	2007	620	30.89	29.11	5920
15.	8/2002	1140	4560	42	1098	402	36.61	23.39	2952
16.	9/2002	458	1832	---	458	230	50.21	9.79	912
17.	10/2002	300	1200	---	300	150	50.00	10.00	600
18.	11/2002	400	1600	---	400	201	50.25	9.75	796
19.	11/2002	400	1600	---	400	182	45.50	14.50	872
20.	1/2003	1781	7124	41	1740	1045	60.05	---	2944
21.	2/2003	2100	8400	81	2019	1035	51.26	8.74	4260
22.	3/2003	1470	5880	56	1414	820	57.99	2.01	2600
		<b>32176</b>	<b>128016</b>	<b>1076</b>	<b>31160</b>	<b>12208</b>	<b>---</b>	<b>---</b>	<b>80183</b>

(Source: Hatching record of the Lunglei Poultry farm)

It would be seen from the table above that out of 22 hatching cases during 1998-99 to 2002-03, only on two occasions *i.e.* in June 1999 and January 2003 was there 60 *per cent* hatching. In all other cases, hatching percentage ranged between 11.59 to 57.99 only. During the entire period of May 1998 to March 2003, there were 31,160 eggs set for hatching out of which, only 12,208 could be hatched being 39.17 *per cent* achievement only. During the period altogether 32,176 eggs including 1076 damaged eggs were purchased at a cost of Rs.1.28 lakh, out of which, 12,208 eggs were hatched resulting in loss of Rs.0.80 lakh to the department.

Thus, the hatchery was running at a loss all the time resulting in wastage of departmental fund.

### **3.1.22 Monitoring and evaluation**

The department did not prescribe any procedure for effective monitoring and evaluation of the scheme in the State. The duties performed by the statistical wing attached to the Directorate were mainly confined to collection of figures (both physical and financial) from the different poultry farms in the State. Thus, the performance of the scheme remained unevaluated during the entire period covered by review.

The forgoing points were reported to the Government in August 2003; reply has not been received (November 2003).

### **3.1.23 Recommendations**

For effective implementation of the poultry development scheme in the State, the Government needs to take the following steps:

- to ascertain the reason for under-utilisation of Central fund of Rs.70 lakh and to take remedial measures accordingly;
- to investigate the causes for unauthorised utilisation of poultry fund of Rs.11.97 lakh and to confirm the fact regarding procurement of Mobile Poultry Feed Plant worth Rs.7.98 lakh;
- to ascertain the reason for poor financial results of the seven poultry farms in the State and
- to evolve an effective system of monitoring and evaluation of the scheme in the State.

**SOCIAL WELFARE, EDUCATION AND HUMAN  
RESOURCES DEVELOPMENT & HEALTH AND FAMILY  
WELFARE DEPARTMENTS**

**3.2 Welfare of the Handicapped**

*Highlights*

*The review brings out the deficiencies in the implementation of Persons with Disabilities Act, 1995, the poor performance of the National Programme for Rehabilitation of Persons with Disabilities, failure in utilisation of funds made available to the departments and the absence of effective monitoring and evaluation system in the State.*

**Out of the total fund of Rs.6.76 crore (Central: Rs.2.83 crore and State: Rs.3.93 crore), the departments utilised only Rs.5.30 crore leaving an unutilised balance amount of Rs.1.46 crore (Central: Rs.25 lakh and State: Rs.1.21 crore).**

*(Paragraph 3.2.4)*

**State Level Co-ordination Committee held only 4 meetings during August 1999 to March 2003 as against 7 meetings required, while State Level Executive Committee failed to hold any meeting since its reconstitution in August 1999 which indicated lack of proper review and co-ordination of activities of the Government departments and NGOs.**

*(Paragraph 3.2.6)*

**Excess expenditure of Rs.56.01 lakh was made by the Society for Rehabilitation of Spastic Children, Aizawl during the period from 1999-2000 to 2002-03 towards payment of honorarium beyond the prescribed norm.**

*(Paragraph 3.2.11)*

**Central assistance of Rs.5.84 lakh under NPRPD was diverted to meet the expenditure on purchase of departmental vehicle instead of equipped mobile van.**

*(Paragraph 3.2.12)*

**3.2.1 Introduction**

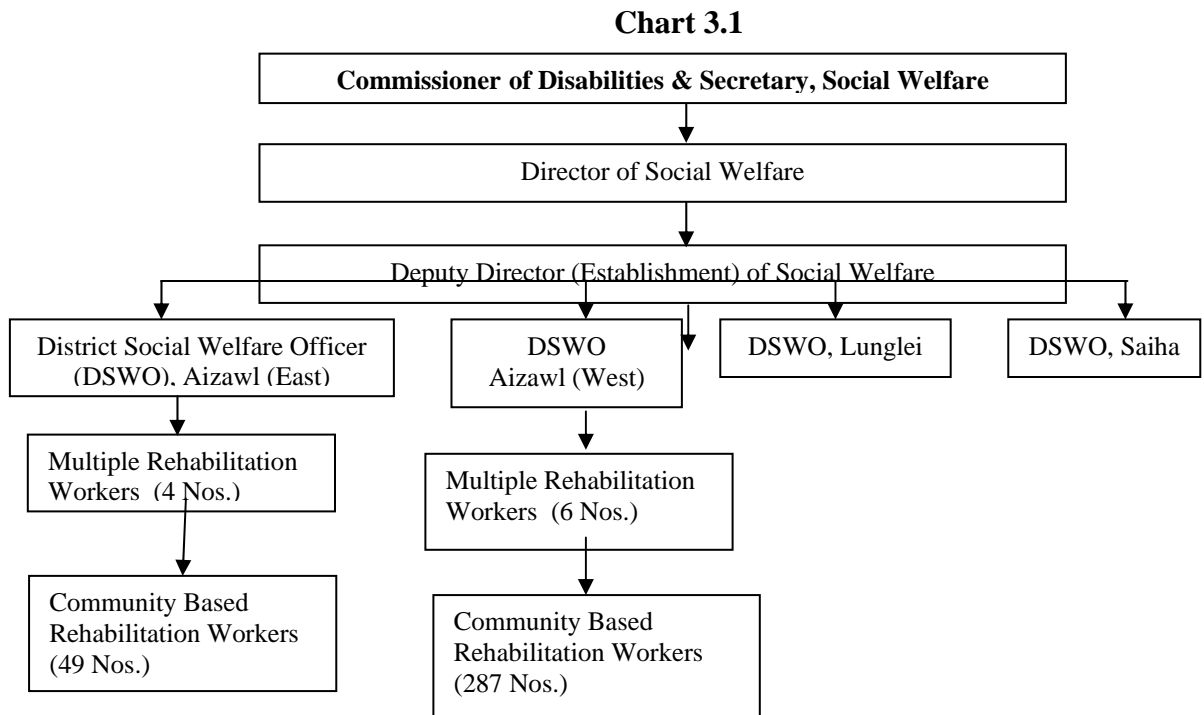
People with disabilities are subjected to neglect, isolation, poverty deprivation and pity as well. This disadvantaged group requires facilities for education, aids/appliances, health and safety measures and creation of a conducive environment in places where they are employed, *etc.* They are in need of usual services and facilities available to the general people. In Mizoram, Persons With Disabilities (PWD) Act, 1995 which came into force in 1996 is

being implemented alongwith dedicated schemes/programmes such as National Programme for Rehabilitation of Persons with Disabilities (NRPD), Integrated Education for Disabled Children (IEDC) besides giving grants-in-aid to Non-Governmental Organisations (NGOs) for welfare activities of the disabled persons.

The main objectives of the programme are: (i) to create a barrier free environment for persons with disabilities, (ii) to remove any discrimination against persons with disabilities in the sharing of development benefits and (iii) to make special provision for the integration of persons with disabilities into the social mainstream, *etc.*

### 3.2.2 Organisational set-up

The agencies responsible for implementation of schemes/programmes in respect of PWD are depicted in a chart given below:



The Secretary, Social Welfare Department, who was appointed (February 2001) as the Commissioner for disabilities had to co-ordinate with other concerned departments of the State Government relating to implementation of the programmes and schemes for the benefit of PWD, monitor the utilisation of funds, take steps to safeguard the rights and facilities, submit periodical reports to the State Government and Government of India, look into the complaints for deprivation of rights of PWD. Records made available to audit till March 2003 did not substantiate any action taken by the Commissioner in



this regard. No report was submitted to the appropriate authority/Government of India as required under PWD Act.

Besides, some of the schemes and programmes are also being implemented independently by the State Council for Education, Research & Training (SCERT) under Education Department, Medical Department and three NGOs receiving direct assistance from the State and Central Governments.

### 3.2.3 Audit Coverage

Implementation of different programmes towards welfare of PWD during the period from 1998-99 to 2002-03 was reviewed in audit between January and March 2003 by test check of records of the departments of Social Welfare, Finance and Personnel & Administrative Reforms, SCERT, Director of Health Services, Directorates of Labour & Employment, School Education and Transport, 2 out of 4 District Social Welfare Offices\* and 2 out of 3 NGOs\*\* covering 99 per cent of the total expenditure incurred during the period. Important points noticed in review are discussed in the succeeding paragraphs.

### 3.2.4 Financial management

Funds released for implementation of various schemes/programmes for welfare of PWD in Mizoram from the Government of India as well as from State Government during 1998-99 to 2002-03 and the expenditure thereagainst are tabulated below:-

**Table 3.7**

*(Rupees in lakh)*

<b>I. Social Welfare Department (For NPRPD)</b>							
Year	Funds received			Expenditure			Excess (+) Savings (-)
	Central assistance	State assistance	Total	Central	State	Total	
1	2	3	4	5	6	7	8
1998-99	---	47.66	47.66	---	47.66	47.66	---
1999-2000	---	56.20	56.20	---	56.20	56.20	---
2000-01	86.95	61.70	148.65	4.65	61.70	66.35	(-) 82.30
2001-02	60.35	50.77	111.12	31.97	50.77	82.74	(-) 28.38
2002-03	---	53.80	53.80	110.04	53.80	163.84	(+) 110.04
<b>Total</b>	<b>147.30</b>	<b>270.13</b>	<b>417.43</b>	<b>146.66</b>	<b>270.13</b>	<b>416.79</b>	<b>(-) 0.64</b>
<b>II. State Council for Education, Research &amp; Training for IEDC</b>							
1998-99	11.46	54.00	65.46	9.24	---	9.24	(-) 56.22
1999-2000	15.51	67.35	82.86	20.26	---	20.26	(-) 62.60
2000-01	22.41	0.80	23.21	12.96	0.80	13.76	(-) 9.45
2001-02	13.67	0.40	14.07	27.33	0.40	27.73	(+) 13.66

\* DSWO, Aizawl East and DSWO, Aizawl West.

\*\* Society for Rehabilitation of Spastic Children, Aizawl and Samaritan Association for the Blind, Durtlang.

1	2	3	4	5	6	7	8
2002-03	20.72	---	20.72	3.28	---	3.28	(-) 17.44
<b>Total</b>	<b>83.77</b>	<b>122.55</b>	<b>206.32</b>	<b>73.07</b>	<b>1.20</b>	<b>74.27</b>	<b>(-) 132.05</b>
<b>III. Medical Department for District Mental Health Programme &amp; Orientation of PHC Medical Officers to Disability Management</b>							
1998-99	---	---	---	---	---	---	---
1999-2000	28.50	---	28.50	11.16	---	11.16	(-) 17.34
2000-01	21.50	---	21.50	13.84	---	13.84	(-) 7.66
2001-02	0.48	---	0.48	5.28	---	5.28	(+) 4.80
2002-03	2.02	---	2.02	8.91	---	8.91	(+) 6.89
<b>Total</b>	<b>52.50</b>	<b>---</b>	<b>52.50</b>	<b>39.19</b>	<b>---</b>	<b>39.19</b>	<b>(-) 13.31</b>
<b>Grand Total</b>	<b>283.57</b>	<b>392.68</b>	<b>676.25</b>	<b>258.92</b>	<b>271.33</b>	<b>530.25</b>	<b>(-) 146.00</b>

(Source: As per information furnished by the departments)

It would be seen from the table that a total amount of Rs.1.46 crore comprising Central fund of Rs.25 lakh and State fund of Rs.1.21 crore (NPRPD: Rs.0.64 lakh; IEDC : Rs.1.32 crore and Medical : Rs.13.31 lakh) remained unutilised (22 per cent of funds received) till 31 March 2003 against total assistance of Rs.6.76 crore (Central: Rs.2.83 crore; State: Rs.3.93 crore) received during 1998-99 to 2002-03 indicating that welfare activities for disabled persons in Mizoram were not at all encouraging.

It was also observed that against the total expenditure of Rs.7.59 crore reflected in the accounts of the Accountant General towards implementation of welfare programmes for the PWD during the period from April 1998 to March 2003, the corresponding figures as per the departments were Rs.5.29 crore as detailed in **Appendix-XV**. The discrepancy in figures was because of the fact that the departments concerned (Social Welfare, SCERT and Medical) did not reconcile their expenditure figures with those booked by the Accountant General. Such variations in expenditure figures are indicative of lack of control on expenditure on the part of the Departmental Controlling Officers.

### 3.2.5 Irregular exhibition of final expenditure

Against the Central assistance of Rs.1.47 crore received by the Social Welfare Department during 2000-01 and 2001-02, the actual expenditure incurred by the department upto the end of March 2003 was shown as Rs.1.46 crore. Audit scrutiny revealed that the Government sanctioned (31 March 2003) an amount of Rs.65 lakh for providing financial assistance to State Referral Centres and District Referral Centres under NPRPD (CSS). The entire amount was drawn by the department on 31 March 2003 and deposited under the head of account 8443- Civil deposit on the same day by exhibiting it as final expenditure for the purpose for which it was sanctioned. Thus, the exhibition of final

expenditure by keeping the fund in deposit head of account was not only irregular but also adversely affected the implementation of the programme.

### ***Implementation of the Programmes***

#### ***3.2.6 State Co-ordination Committee and State Executive Committee***

The State Level Co-ordination Committee (SCC) and the State Level Executive Committee (SEC) which were in existence in the State of Mizoram since 1986 had been reconstituted during June and August 1999 respectively. The SCC comprised the Minister and the Secretary, Social Welfare Department as Chairman and Member Secretary respectively, besides 23 other members from Government departments, NGOs and other sections of the society dealing with the matters of disability. The SEC comprised the Secretary and the Director, Social Welfare Department as Chairman and Member Secretary respectively besides 15 other members (11 from Government departments and four from voluntary organisations and distinguished persons).

According to PWD Rules framed in August 1999, Mizoram SCC and SEC were to hold meeting at least once in every 6 months to review and co-ordinate the activities of various Government departments and NGOs dealing with matters of disability and also to advise State Government for formulation of State policy and implementation of the decision of SEC. Since reconstitution, the SCC held four meetings till March 2003 as against 7 required meetings, while SEC failed to hold any meeting. Thus, it is evident that due to non-holding of requisite meetings, there was no proper review and co-ordination of the activities of Government departments and NGOs.

#### ***3.2.7 Education***

In Mizoram, neither was any special school opened by the Government nor any facility provided in any school with part time classes under formal or non-formal system of education to the children with disabilities despite provision for the development of such educational infrastructure in the PWD Act, 1995. The Centrally Sponsored Scheme “Integrated Education for Disabled Children (IEDC)” was introduced (1985) and continued till 2002-03 under non-formal system of education without introduction of special curriculum, books or equipment and were running at par with the formal system. The IEDC scheme was in operation only in 7 blocks, out of 22 blocks in the State. Number of beneficiaries under IEDC during 1998-99 to 2001-02 were 1450, 1300, 1683 and 1913 respectively without specifying the type of disabilities and the total expenditure on free books and stationeries was Rs.25.66 lakh (1998-99: Rs.5.07 lakh, 1999-2000: Rs.6.21 lakh, 2000-01: Rs.6.73 lakh and 2001-02: Rs.7.65 lakh). The State did not set up any training institute for teachers or taken up any research work for designing and developing new assistive devices, teaching aids, etc.

### **3.2.8 Employment**

In pursuance of Section 33 of the PWD Act 1995, Government of Mizoram, Personnel & Administrative Reforms Department had directed (27 January 1998 and 25 September 2001) all the Government departments for reservation of at least 3 *per cent* vacancies in all the cadres for PWD except executive staff of the Excise, Police and Forest Departments. An Expert Committee comprising of six officials and three non-official members with the Secretary, Social Welfare Department as its Chairman was also constituted (October 2002) by the Government for identification of posts in Government departments. But no positive action was taken by any of the Government departments towards reservation, and by the Committee for identification of posts for PWD, except Director of School Education who had identified four posts for locomotor disabled between the period 1998-99 and 2002-03 and filled up three posts up to the end of 2001-02. The State Government had not taken any action so far towards opening of special employment exchange, special cell in the existing employment exchanges, formulating any poverty alleviation scheme and incentive to the employers for employment of PWD.

### **3.2.9 Affirmative Action Scheme for preferential allotment of land for certain purposes**

Sections 42 and 43 of the PWD Act, 1995 lay down that the appropriate Government and local authorities should frame scheme in favour of PWD for aids and appliances, as well as preferential allotment of land at concessional rates for different purposes such as housing, setting up of business, special schools, *etc.* Scrutiny of records (March 2003) revealed that no such preferential allotment of land to the PWD was made either by the State Government or by the local authorities. The reason for the same was not on record.

### **3.2.10 Non-Governmental Organisations**

Altogether three Non-Governmental Organisations (NGOs) were recognised/registered by the Government of Mizoram under Societies Registration Act, 1860. Of these, records of two NGOs<sup>¶</sup> were test checked. Grants-in-aid received by NGOs from the Government of Mizoram and Government of India have been detailed in **Appendix-XVI**.

### **3.2.11 Excess expenditure towards payment of honorarium beyond the prescribed norm**

Test check of records of the Society for Rehabilitation of Spastic Children, Aizawl revealed that during the period from 1999-2000 to 2002-03 the society had paid monthly honorarium to the 15 supervisory staff beyond the norm of

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<sup>¶</sup> (i) Society for Rehabilitation of Spastic Children, Aizawl (Gilead Special School)  
(ii) Samaritan Association for Blind, Durtlang (Special School for the Blind)

10 per cent increase each year as envisaged in guidelines. The details of such excess expenditure were as under:-

**Table 3.8**

Year	No. of Supervisory staff	Honarium paid (Rupees in lakh)				Percentage of excess
		Actual amount paid	Payable with 10 per cent addition	Excess expenditure involved	Progressive total of excess	
1998-99	15	4.55	--	--	--	
1999-2000	15	7.97	5.01	2.96	2.96	59
2000-01	15	20.53	5.51	15.02	17.98	273
2001-02	15	24.17	6.06	18.11	36.09	299
2002-03	15	26.59	6.67	19.92	56.01	299

(Source : As per information furnished by the NGO)

Thus, the society incurred excess expenditure of Rs.56.01 lakh towards honorarium during the year 1999-2000 to 2002-03 beyond the prescribed norm. The reason for such excess expenditure was neither on record nor stated.

### **3.2.12 Irregular diversion of Central fund**

The Government of India allocated (September 1999) Rs.25 lakh for various rehabilitation activities including equipped mobile van for State Resource Centre under NPRPD\*. The mobile van was to be equipped with necessary aid appliances, etc., so that the same could reach the remote area of the State. Accordingly, Social Welfare Department proposed (November 2001) purchase of Mahindra Max – 4WD at a cost of Rs.4.45 lakh. But the Government of Mizoram accorded instead (November 2002) expenditure sanction of Rs.5.84 lakh for purchase of a hard top Maruti Gypsy to be used by the Director of Social Welfare and accordingly, payment was made to the supplier in November 2002 itself. Thus, expenditure of Rs.5.84 lakh incurred towards purchase of hard top Maruti Gypsy, instead of equipped mobile van was not only unauthorised but also frustrated the very purpose for which the amount was allocated. This resulted in irregular diversion of Central fund.

### **3.2.13 Non-submission of periodical reports**

For implementation of NPRPD in Mizoram, the Social Welfare Department had selected only Aizawl district and 336 Anganwadi workers were appointed (May 2001 and January 2002) as Community Based Rehabilitation Workers (CBRWs). Besides, 10 Multiple Rehabilitation Workers (MRWs) were also appointed in December 2001. Test check of records of Social Welfare Department revealed that CBRWs & MRWs did not submit any periodical reports showing their achievements to the District Office/Directorate and the Department also did not submit periodical reports to the Government of India/State Government.

\* NPRPD – National Programme for Rehabilitation of Persons with Disabilities

For prevention and early detection of disabilities, the Anganwadi workers were required to be trained by the Social Welfare Department to identify childhood impairment at very early stage with the help of the Medical department and educated parents and to do the screening work of 'at risk' cases in co-ordination with Health Department. There was no record to show the number of Public Health Centres that had facilities for pre-natal and post-natal care of mother and child. The number of children identified as 'at risk' cases was neither found on record nor stated. Not a single public building in the State was identified for conversion or converted into barrier free environment.

Out of 336 CBRWs, 168 CBRWs appointed during January 2002 were neither given any training nor provided with CBRW Manual printed in local language for efficient discharge of their duties till March 2003. As a result, honorarium of Rs.12.10 lakh at the rate of Rs.400 per CBRW per month for the period from January 2002 to March 2002 and Rs.500 per CBRW per month for the period from April 2002 to March 2003 paid to them was unfruitful expenditure as the duty performed by them without undergoing any training and without having the prescribed manual cannot be termed as qualitative performance on the part of the CBRWs.

### ***3.2.14 Monitoring and Evaluation***

Neither the Social Welfare Department nor the Director of Social Welfare opened any monitoring and evaluation cell for evaluation of implementation of various schemes and programmes in respect of Welfare of Handicapped in the State. The State also did not frame any guideline or evolved norms in this respect though the scheme provided necessary format for monitoring.

The forgoing points were reported to the Government in August 2003; reply has not been received (November 2003).

### ***3.2.15 Recommendations***

For effective implementation of the schemes for Welfare of the Handicapped in the State, the Government has to take up the following steps:

- Implement the various provisions of the PWD Act, 1995 vigorously.
- **Ensure that funds made available for implementation of the scheme are effectively utilised.**
- **Effect co-ordination amongst the different Government Departments, NGOs and workers at all levels for the welfare activities of the handicapped.**
- **Evolve a comprehensive monitoring and evaluation system at State level as well as District level which is an essential requirement for ensuring successful implementation of the schemes in the State.**

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**SECTION – B – PARAGRAPHS**

**SCHOOL EDUCATION DEPARTMENT**

**3.3 Irregular utilisation of PMGY funds by the DSE, Aizawl**

**Irregular utilisation of Rs.3.03 crore in contravention of PMGY guidelines deprived the State of getting subsequent Central Assistance of Rs.7.05 crore thereby denying it the opportunity of improving the physical infrastructure of primary schools.**

In June 2000, the Government of India released Rs.3.03 crore (Loan: Rs.30 lakh + Grant: Rs.2.73 crore) to the Mizoram Government being the first six monthly instalment (April 2000 to September 2000) of Additional Central Assistance (ACA) for the year 2000-01 for Primary Education Sector under Pradhan Mantri Gramodaya Yojana (PMGY). According to the guidelines, the funds were to be utilised in the elementary education sector for construction of new school buildings as well as additional classrooms in existing schools including provision of toilets and drinking water and on items related to elementary education covered under ongoing Central/State Sponsored Schemes except for creation of posts and payment of salaries.

Scrutiny (October-November 2002) of records of the Director of School Education (DSE), Mizoram revealed that the State Government approached (December 2000 and January 2001) the Government of India for utilisation of PMGY fund under elementary education towards payment of salary to the teachers. The Government of India, in turn, instructed (February 2001) the State Government to utilise the fund as per PMGY guidelines. But the DSE, in violation of Government of India's instructions and the PMGY guidelines, utilised the entire amount of Rs.3.03 crore towards payment of salaries of 1478 teachers of 250 non-Government middle schools. As such, the State Government could not furnish the progress report in the prescribed format showing the utilisation of Rs.3.03 crore to the Government of India. Consequently, the Government of India did not release the balance fund of Rs.7.05 crore relating to the year 2000-01.

Thus, due to irregular utilisation of first instalment of ACA amounting to Rs.3.03 crore, the Government not only failed to improve the infrastructure of primary schools in the State but also deprived the State of the opportunity of improving the physical infrastructure of primary schools by failing to obtain and utilise the allotted fund of Rs.7.05 crore from the Government of India.

The matter was reported to Government in June 2003; reply has not been received (November 2003).

### **3.4 Irrational posting of teachers in primary schools**

**Extra expenditure of Rs.24 lakh was incurred in posting of 50 excess teachers in 21 primary schools, while at the same time 2137 pupils in 30 other schools suffered because of shortage of teachers.**

According to norms prescribed by the Government in September 1999 for posting of teachers in Government primary schools, 3 teachers are to be posted in each school having 20 to 50 pupils on roll, 4 teachers for school having 51 to 80 pupils, 5 teachers for school having 81 to 120 pupils, 6 teachers for school having 121 to 150 pupils and 7 teachers for school having 151 and above pupils on roll.

Test check (September 2002) of records of Sub-Divisional Education Officer, Aizawl West-I revealed that in 21 primary schools having 46 to 226 pupils on roll, 157 teachers (varying between 5 and 10 teachers in each school) were posted during April 2001 to March 2002 against 107 required as per prescribed norms of the Government, resulting in excess deployment of 50 teachers. It was further noticed in audit that during the same period in other 30 primary schools under the same sub-division, 79 teachers were posted against the requirement of 121 teachers as per norms leading to under-deployment of 42 teachers. Although the matter was reported to the department/Government in November 2002, action initiated to transfer those excess teachers to the schools where shortages existed had not been reported.

Thus, entertainment of 50 teachers in 21 primary schools in excess over the prescribed norms had resulted in an extra expenditure of Rs.24 lakh incurred towards their pay only (computed at the minimum monthly pay of the time scale of Rs.4000), while at the same time, 2137 pupils of other 30 schools were deprived of the desired teaching benefit besides affecting the curriculum of the student adversely.

On this being pointed out (November 2002) in audit, the Director of School Education, Mizoram, Aizawl stated (September 2003) that the department had no proper transfer/posting policy regarding deployment of teachers. However, the posting of teachers would be regulated according to the sanctioned post of each primary school in future.

The matter was reported to Government in November 2002; reply has not been received (November 2003).



## INDUSTRIES DEPARTMENT

### 3.5 Idle Investment by the Director of Industries, Geology and Mining Department, Aizawl

**Lack of proper planning and initiative on the part of the department in implementing a lime stone project in the State led to idle investment of Rs.76.50 lakh.**

For implementation of the project “Manufacture of Shell Lime Stone Slabs/Tiles” in Mizoram, the North Eastern Council (NEC), Shillong accorded (January 1998) administrative approval for Rs.81.90 lakh of which the NEC’s share was Rs.62 lakh (Rs.55.80 lakh as grants-in-aid and Rs.6.20 lakh as interest bearing loan) and the balance Rs.19.90 lakh was to be provided by the State Government. The NEC released its share of Rs.62 lakh (Rs.28 lakh in 1997-98 and Rs.34 lakh in 1999-2000) while the State Government released only Rs.14.50 lakh being its own share during the same period.

Scrutiny (March 2003) of records of the Director of Industries (Geology & Mining Wing), Mizoram, Aizawl revealed that the project work, which was scheduled to be completed during January 1999, was actually started in March 1999 and was completed in June 2002 with a total expenditure of Rs.76.50 lakh except for three minor items<sup>1</sup> which could be taken up at the time of operating the project as stated (September 2003) by the Department. The department also could not decide whether the project was to be run fully by the Government or through joint venture between the State Government and reputed outside agencies or private agency. As a result, the project has not yet been commissioned and put to use (September 2003) even after incurring an expenditure of Rs.76.50 lakh.

Thus, due to lack of proper planning and initiative on the part of the department in implementing the project, the infrastructure created at a cost of Rs.76.50 lakh remained idle for a period over one year.

On this being pointed out (May 2003) in Audit, the Director of Industries stated (September 2003) that the decision of the Government regarding the mode of running of the project was awaited.

The matter was reported to Government in May 2003; reply has not been received (November 2003).

## AGRICULTURE DEPARTMENT

<sup>1</sup> (i) Diamond Wiresaw machine (estimated cost Rs.2.94 lakh);  
(ii) Water connection (estimated cost Rs.1.16 lakh); and  
(iii) Jack hammer compressor (estimated cost Rs.0.90 lakh).

### 3.6 Extra avoidable expenditure by DAO, Kolasib

#### Purchase of planting materials at higher rates than the market rates led to extra avoidable expenditure of Rs.42.75 lakh.

Scrutiny (February 2003) of records of the District Agriculture Officer (DAO), Kolasib revealed that the Departmental Purchase Advisory Board (DPAB) of Agriculture Department, had, in its meeting held on 7 April 2000, recommended the enhancement of existing (1999-2000) procurement price of planting materials viz. Assam lemon cuttings from Rs.3 to Rs.5 per cutting and for Arecanut seedlings from Rs.4 to Rs.6 per seedling for the year 2000-01 without inviting any tender as the existing rates were considered unworkable due to increase in labour charges, transportation, etc. Accordingly, on the basis of supply orders (June 2000) placed by the Director of Agriculture, the DAO, Kolasib purchased 1,63,000 Assam lemon cuttings (@ Rs.5 per cutting) worth Rs.8.15 lakh and 19,74,260 Arecanut seedlings (@ Rs.6 per seedlings) worth Rs.1.18 crore and payments were made between September 2000 and March 2001.

It was, however, noticed in audit that the DPAB of Horticulture Department, in its meeting held on 17 May 2000 recommended the existing (1999-2000) procurement price of Assam lemon cutting at the rate of Rs.3 per cutting and for Arecanut seedling Rs.4 per seedling for the year 2000-01 which was also recommended (10 May 2001) for the year 2001-02 as the existing rates of 1999-2000 were found workable after inviting tender.

Thus, adoption of irregular system to recommend the procurement price of planting materials by the DPAB of Agriculture Department, by enhancing the existing rates, instead of ascertaining the prevailing market rates after inviting tender and procurement of Assam lemon cuttings and Arecanut seedlings at higher rates by the DAO, Kolasib on the basis of said recommendation resulted in an extra avoidable expenditure of Rs.42.75 lakh\*.

The recommendations made by the DPAB of Agriculture Department were indicative of failure in adopting the system of inviting tenders to ascertain the lowest available market rates. The DPAB should follow the system of inviting tenders and maintain co-ordination with the DPABs of other sister departments for purchase of similar items.

The matter was reported to the Government in May 2003; reply has not been received (November 2003).

### HOME DEPARTMENT

\* Assam lemon cuttings:  $1,63,000 \times Rs.2 (Rs.5 - Rs.3) = Rs. 3,26,000$   
Arecanut seedlings:  $19,74,260 \times Rs.2 (Rs.6 - Rs.4) = Rs.39,48,520$   
Total: Rs.42,74,520  
i.e. **Rs.42.75 lakh**

### 3.7 Doubtful execution of works

#### **Doubtful execution of works costing Rs.26 lakh against available funds of Rs.19 lakh at Mamit.**

In March 2001, the Government of Mizoram accorded administrative approval and expenditure sanction for Rs.26 lakh\* for construction of Fire Service Station Building including quarters and barrack at Mamit under Up-gradation of Administration Schemes recommended by the Eleventh Finance Commission (EFC).

Scrutiny (March 2003) of records of the Director General of Police (DGP), Mizoram revealed that on the site selected by Government (February 2001) for construction of the Fire Service Station Building, a Health Sub-Centre (HSC) already existed. In February 2001, Government decided to shift the existing HSC to an alternative site and for that purpose, the Police Department was to find ways for transfer of fund amounting to Rs.7 lakh for construction of HSC at Mamit. The DGP with the approval of the Government had drawn the amount of Rs.26 lakh (March 2001) in Abstract Contingency Bill for construction of the aforesaid buildings and a decision had been taken (May 2001) at the DGP level for undertaking construction works departmentally by preparing a revised estimate within Rs.19 lakh in order to find means of locating Rs.7 lakh from Rs.26 lakh of the project cost for transfer to Health Department. The information regarding revision of the estimate to Rs.19 lakh and execution of the work following such revised estimate, if any, could not be made available to audit. Moreover, the existing HSC was handed over to Superintendent of Police, Mamit in May 2001 for construction of Fire Service Station Building and the amount of Rs.7 lakh was also handed over to the Director, Health & Family Welfare, Aizawl in March 2002.

Scrutiny further revealed that as per completion certificates furnished by the Executive Engineer, Police Headquarters, Aizawl, the construction of all the staff quarters and 10 men barrack was shown to have been commenced on 1 June 2001 and completed on 30 June 2001, while the construction of Fire Service Station Building was commenced on 5 October 2001 and completed on 5 December 2001 by incurring a total expenditure of Rs.26 lakh in support of which a Detailed Countersigned Contingency (DCC) bill was submitted (March 2002) by the Superintendent of Police, Fire Service Organisation, Aizawl to the Accountant General (A&E), Shillong. As an amount of Rs.7 lakh (out of the available fund of Rs.26 lakh) had already been handed over to the Health and Family Welfare Department, the authenticity of the DCC bill for Rs.26 lakh without exhibiting the transfer of fund of Rs.7 lakh to the Health and Family Welfare Department and the actual execution of all the

\* (i) Fire Station Building: Rs. 12 lakh; (ii) 10 Men Barrack: Rs.4 lakh; (iii) Type II quarters, 1 no.: Rs.4 lakh; (iv) Type II quarters, 2 nos.: Rs.6 lakh.

buildings after incurring an expenditure of Rs.26 lakh as per sanctioned plan and specification, remained doubtful.

The matter was reported to the Government in May 2003; reply has not been received (November 2003).

**CO-OPERATION, LAND REVENUE, PUBLIC WORKS  
AND PUBLIC HEALTH ENGINEERING DEPARTMENTS**

**3.8 Failure of senior officials to enforce accountability and  
protect the interests of Government**

**1072 paragraphs pertaining to 174 Inspection Reports amounting to Rs.272.61 crore concerning Co-operation, Land Revenue, Public Works and Public Health Engineering Departments were outstanding as on June 2003. Of these, 49 Inspection Reports containing 128 paragraphs had remained unsettled for more than 10 years.**

Principal Accountant General (Audit) conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs) issued to the Heads of Offices inspected with a copy to the next higher authorities. Rules/orders of Government provide for prompt response by the Executive to the IRs issued by the Principal Accountant General (Audit) to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, *etc.*, noticed during his inspection. The Heads of Offices and next higher authorities are required to comply with the observations contained in the IRs and rectify the defects and omissions promptly and report their compliance to the Principal Accountant General (Audit). Serious irregularities are also brought to the notice of the Head of the Department by the Office of the Principal Accountant General (Audit). Half-yearly reports are sent to the Secretaries of the Departments in respect of pending IRs to facilitate monitoring of the audit observations appearing therein and responses to the same.

IRs issued upto March 2003 pertaining to 44 offices of four Departments *viz.*, Co-operation, Land Revenue, Public Works and Public Health Engineering Departments disclosed that 1072 paragraphs relating to 174 IRs involving Rs.272.61 crore remained outstanding at the end of July 2003. Year-wise position of the outstanding IRs and paragraphs are detailed in *Appendix-XVII*. Of these, 49 IRs containing 128 paragraphs had remained unsettled for more than 10 years as detailed below.

**Table 3.9**

<b>Sl. No.</b>	<b>Name of the Departments</b>	<b>Paragraphs remaining unsettled for more than 10 years</b>
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		No. of Inspection Reports	No. of Paragraphs
1.	Co-operation	7	14
2.	Land Revenue	1	3
3.	Public Works	28	84
4.	Public Health Engineering	13	27
	<b>Total</b>	<b>49</b>	<b>128</b>

Some of the important irregularities contained in 249 paragraphs involving Rs.32.07 crore, commented upon in the outstanding IRs of the four departments which had not been settled as of June 2003, are indicated below:

Table 3.10

Sl. No.	Nature of irregularities	Co-operation		Land Revenue		Public Works		Public Health Engineering	
		No. of paras	Amount (Rs. in lakh)	No. of paras	Amount (Rs. in lakh)	No. of paras	Amount (Rs. in lakh)	No. of paras	Amount (Rs. in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1.	Non-observance of rules relating to custody and handling of cash, position and maintenance of Cash Book and Muster Roll	3	0.25	1	0.36	8	88.95	3	10.04
2.	Unauthorised expenditure/sanctioned estimate	---	---	---	---	89	1063.67	16	308.76
3.	Idle stock	---	---	---	---	7	436.19	4	32.21
4.	Delay in recovery/non-recovery of departmental receipts, advances and other recoverable charges	17	102.29	---	---	---	---	---	---
5.	Discrepancy between cash book and treasury drawals	---	---	3	17.63	---	---	---	---
6.	Extra expenditure due to execution of extra/substituted items	---	---	---	---	60	470.05	33	574.10
7.	Issue of work order beyond power delegated	---	---	---	---	1	55.47	2	41.54
8.	Actual Payees' Receipts wanting	---	---	1	0.71	---	---	---	---
9.	Drawal of funds in advance of requirements resulting in retention in hand for long periods	1	4.50	---	---	---	---	---	---
	<b>Total :</b>	<b>21</b>	<b>107.04</b>	<b>5</b>	<b>18.70</b>	<b>165</b>	<b>2114.33</b>	<b>58</b>	<b>966.65</b>

A review of the IRs pending due to various reasons, in respect of Co-operation, Land Revenue, Public Works and Public Health Engineering Departments revealed that the Heads of the offices, Co-operation, Land Revenue, Public Works and Public Health Engineering Departments had failed to discharge due responsibility as they did not send reply on action taken to a large number of IRs. The Secretaries to the Government of Mizoram in

respect of Co-operation, Land Revenue, Public Works and Public Health Engineering Departments, who were also informed of the position through half-yearly reports also failed to ensure that the concerned officers of the four Departments took prompt and timely action.

The position stated above indicated that no action was taken against the defaulting officers, thereby facilitating the continuation of serious financial irregularities and loss to the Government though these were pointed out in Audit.

It is recommended that the Government should re-look into these matters and ensure that procedure exists for (i) action against the officials who fail to settle the IRs/Paragraphs as per prescribed time schedule; (ii) action to recover receipts/outstanding advances/overpayments in a time bound manner; and (iii) revamping the system to ensure prompt and proper response to the audit observations.

The matter was reported to the Government in September 2003; reply has not been received (November 2003).

## FINANCE DEPARTMENT

### 3.9 Misappropriation, losses, etc.

**27 cases of misappropriation/losses pertaining to 10 departments involving Rs.1.17 crore are pending finalisation.**

Twenty seven cases (total value: Rs.1.17 crore) of misappropriation, losses, etc., were pending finalisation at the end of July 2003 as detailed below:

**Table 3.11**

		Number of cases	Amount (Rupees in lakh)
(1)	Cases reported upto the end of March 2002 and pending as of June 2002	27	113.44
(2)	Cases of misappropriation/ losses during 2002-03	2	4.33
(3)	Cases closed during July 2002 to July 2003	2	0.41
(4)	Cases outstanding at the end of July 2003	27	117.36

Year-wise analysis of the outstanding cases is also given below:-

**Table 3.12**

Year	Number of cases	Amount (Rupees in lakh)
Upto 1994-95	17	9.12
1995-96	4	28.73
1996-97	1	3.08
1997-98	1	70.00
1999-2000	1	0.45
2001-02	1	1.65
2002-03	2	4.33
<b>Total</b>	<b>27</b>	<b>117.36</b>

Department-wise analysis of outstanding cases in which final action was pending at the end of July 2003 is given in **Appendix-XVIII**.

The two cases reported during the year ended 31 March 2003 were theft cases of Rs.4.33 lakh in Transport (Rs.2.35 lakh) and Rural Development (Rs.1.98 lakh) Departments. In Transport Department there was theft case of Rs.2.35 lakh on 4 August 2002 in which cash kept in the iron chest was stolen. The matter was reported (August 2002) to police, but the result of police investigation is still awaited (August 2003). In Rural Development Department, there was a theft case of Rs.1.98 lakh (cash: Rs.1.90 lakh: materials: Rs.0.08 lakh) on 25 April 2002, the matter was reported (April 2002) to police and the police returned (March 2003) the case stating that the case is true but without any clue and closed the investigation. Though the department intimated (March 2003) the result of police investigation to Accountant General (A&E), action, if any, initiated to write-off the losses has not been reported (August 2003).

Although the cases were getting accumulated year after year, there was insignificant disposal of only Rs.0.41 lakh since 1997-98. Thus, Government need to take suitable steps to finalise the cases in a time bound manner.

The matter was reported to Government in September 2003; reply has not been received (November 2003).