

CHAPTER III
CIVIL DEPARTMENTS

SECTION: 'A' REVIEWS
HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Programmes for Prevention and Control of Diseases

A. National Blindness Control Programme

Highlights

A review of the programme in audit showed that objective of the programme was not fulfilled due to lack of proper planning and co-ordination. Lack of proper infrastructural facilities and with poor performance of some of crucial functionaries plagued the programme. Non imparting of required training to the ophthalmic staff adversely affected implementation of the programme.

The District Blindness Control Society (DBCS) Mokokchung, had not rendered accounts for Rs.6.08 lakh drawn from Bank accounts during 1996-2000. A further sum of Rs.12.50 lakh released by GOI in February 2001 to the Chairman, DBCS, Mokokchung for civil works and furnishing of Eye OT Ward at Mokokchung Civil Hospital had neither been deposited to the Society's bank account nor handed over to the executing agency (EE, MED) indicating possible diversion and misappropriation of the amounts.

(Paragraph 3.1.4 (ii) & (iii))

Against the requirement of 3,025 cataract surgery per year as per norms, the target fixed ranged between 300 and 450 per year and the actual achievement there against ranged between 224 and 430 during 1996-97 to 2000-2001.

(Paragraphs 3.1.7)

Against the requirement of 4,500 cataract operations by DMUs during 1998-99 to 2000-2001, only 12 cataract operations were performed indicating a shortfall of 99.97 per cent.

(Paragraph 3.1.8)

Vision screening of school children was non existent upto 1998-99. Eye screening was done on 10,277 children out of 729,944 children indicating a poor percentage (1.4) of coverage during the period 1999-2001.

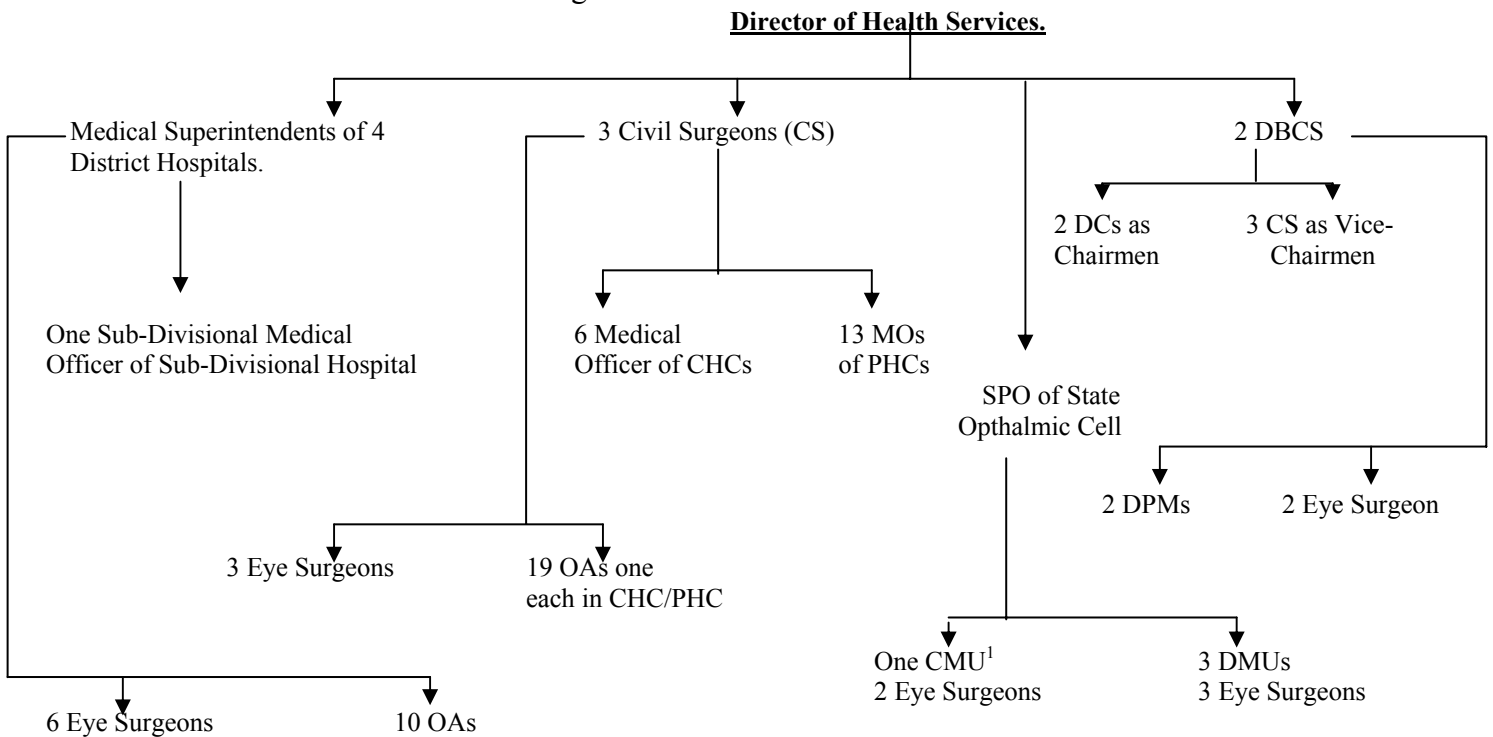
(Paragraph 3.1.9)

Introduction

3.1.1 National Programme for Control of Blindness (NPCB), a 100 per cent Centrally Sponsored Programme was launched in the State of Nagaland in 1981-82. The objective of the scheme was to reduce the incidence of blindness from 1.4 per cent to 0.3 per cent by the end of 2000 AD.

Organisational set up

3.1.2 The Director of Health Services (DHS) exercised his control over supervision in implementation of the programme. The State Programme Officer (SPO) of the State Ophthalmic Cell (SOC) is vested with the responsibilities in implementing and monitoring the programme. The various health institutions and the officials which implemented the programme are shown in an organisation flow chart below:-



Audit coverage

3.1.3 The implementation of NPCB in the State was reviewed in audit during June-August 2001 by test check of the records of the SPO at the DHS (SOC),

¹ CMU (Central Mobile Unit), DMUs (District Mobile Units), DBCs (District Blindness Control Societies), MO (Medical Officer), OAs (Ophthalmic Assistants), CHCs (Community Health Centres), PHCs (Primary Health Centres), DC (Deputy Commissioner) and DPM (District Programme Managers).

3 Civil Surgeons², Sub-Divisional Medical Officer (SDMO), Dimapur, 4 district hospitals³, and 2 DBCS for 1996-97 to 2000-2001, by covering an expenditure of Rs.34.54 lakh (40 per cent).

Financial outlay and expenditure

3.1.4 Funds released by Government of India (GOI) to the State Government of Nagaland (GON) and DBCS (as per Finance and Appropriation Accounts and records of DBCS) during 1996-97 to 2000-2001 are shown below:

Table No.3.1 (Rupees in lakh)

Year	Opening Balance		Grants released by GOI		Total funds available	Expenditure by		Total expenditure	Closing balance	
	GON	DBCS	GON	DBCS		GON	DBCS		GON	DBCS
1996-97	---	6.00	11.30	---	17.30	5.24	0.66	5.90	6.06	5.34
1997-98	6.06	5.34	1.54	2.50	15.44	10.25	4.23	14.48	---	3.61
1998-99	---	3.61	11.60	7.15	22.36	10.72	2.26	12.98	0.88	8.50
1999-2000	0.88	8.50	11.00	3.00	23.38	15.98	2.26	18.24	---	9.24
2000-2001	---	9.24	38.60	12.50	60.34	31.79	2.95	34.74	6.81	18.79
Total			79.04	25.15		73.98	12.36	86.34		

Source: Departmental records

(i) Against GOI release of Rs.20 lakh to GON in May and June 2000 (Rs.10 lakh each) for construction of 10 bedded RCC Eye Operation Theatre (OT) ward at the Civil Hospital, Mokokchung, the GON made delayed (8-9 months) release of Rs.17.70 lakh to the DHS in March 2001. Short release of Rs.2.30 lakh was assigned to deduction of departmental charge at source. However, it was noticed that while making payment to the contractor, the Executive Engineer (Medical Engineering Division) had also deducted departmental charges of Rs.2.67 lakh. Thus the cost of the work was inflated by Rs.2.67 lakh.

(ii) The DBCS, Mokokchung incurred expenditure of Rs.6.08 lakh during 1996-97 to 2000-2001 for which no yearwise accounts, bills/vouchers could be furnished to audit. In the absence of these records, audit could not examine/vet the related expenditure.

(iii) GOI released (March 2001) Rs.12.50 lakh to the DBCS, Mokokchung for furnishing Eye OT ward of the District Hospital. Records of the DBCS showed that the amount was neither accounted for in the Cash Book nor credited into the bank pass book of the society. The amount was also not handed over to the DHS or Executive Engineer (Medical Engineering Wing). The reason for not accounting for the funds was not stated. Thus, possibility of diversion or misuse of funds could not be ruled out.

Implementation of programme

Infrastructure Development

3.1.5 The Department claimed (March 2001) to have upgraded 4 District Hospitals (out of 8), one Sub-Divisional Hospital (SDH) at Dimapur, 6 CHCs (out of 12) and 13 PHCs (out of 55) to cater to the need of eyecare for the

² Kohima, Mokokchung and Mon.

³ Kohima, Dimapur, Mokokchung, Mon.

visually impaired persons. One CMU (1983-84) and 3 DMUs (March 1998) were also created for this purpose. But it was noticed that no eye surgeon and ophthalmic assistant was posted in the upgraded DH, Tuensang. Further, one eye surgeon though posted (March 1998) in DMU, Mon was withdrawn from 2000-2001 which indicated laxity in planning for eye health care.

Cataract surgery-Targets and Achievements

3.1.6 As per guidelines, cataract surgery @250 per lakh population was required to be conducted to reduce the incidence of blindness to 0.3 *per cent*. The number of cataract surgery required to be conducted, target actually fixed with reference to the population as per 1991 census, and actual achievement thereagainst as furnished by the Department are shown in the table No.3.2 below:

Table No.3.2

Year	Population as per 1991 census.	No. of cataract surgery required to be conducted	Target fixed for cataract surgery	No. of cataract surgery actually performed.	Percentage of cataract surgery performed with reference to norms.
1996-97	12.10 lakh	3025	300	430	14.2
1997-98	12.10 lakh	3025	336	373	12.3
1998-99	12.10 lakh	3025	360	324	10.7
1999-2000	12.10 lakh	3025	450	224	10.7
2000-01	12.10 lakh	3025	450	300	9.9
Total:-		15,125	1,896	1,651	

Source: Departmental records

3.1.7 The above table indicated that against 3,025 cataract surgery required to be performed each year, the target fixed for cataract surgery ranged between 300 and 450 per year and the actual achievement thereagainst ranged between 224 and 430. The basis of fixation of such low targets was not made available. This poor performance of the crucial functionaries of the State machinery defeated the objectives of the programme.

Performance of District Mobil Units

3.1.8 As per GOI guidelines, each DMU is required to conduct 1500 cataract surgery per year. Records indicated that though 3 DMUs were setup during 1998-99, no target for the cataract surgery for the DMUs was fixed between 1998-99 and 2000-2001. Being small and thinly populated hilly state, if 3 DMUs were taken as one unit, it was noticed that against the requirement of 4500 (1500x3 years) cataract surgery, only 12 cataract surgery were performed during 1998-2001 indicating a shortfall of 99.97 *per cent*. The reasons for such shortfall in the performance of cataract operations despite availability of 3 eye surgeons in DMUs were not explained to audit.

Eye screening of school children

3.1.9 The Medical Officer (eye)/DPM of the DBCS were required to visit schools and undertake vision screening. None of the 2 DBCS test checked showed any activities done by them upto 1998-99. During 1999-2001, it was seen that 53 school teachers were trained in eye screening and vision screening

was done on 10,277 school children out of 729,944 children and 291 children were detected with refractive errors as shown below.

Table No.3.3

Year	No. of school children (Primary to Calss X)	No. of teachers trained in vision screening	No. of school children screened	Percentage of screened children to total children	No. of children detected with refraction error	Percentage of vision error to total screened	Free glasses provided.
1999-2000	3,64,384	23	5,748	1.58	52	0.90	---
2000-2001	3,65,660	30	4,529	---	239	5.28	---
Total	7,29,944	53	10,277	---	291	---	---

Source: Departmental records

3.1.10 This indicated that a very low percentage (1.4) of school children was screened during 1999-2000 and 2000-2001. The SPO and the DBCS could not state the reasons for not undertaking vision screening of school children prior to 1999-2000 and for the poor coverage during the succeeding years.

Non-supply of Vitamin 'A' solution

3.1.11 Mention had been made in paragraph 3.3.6 of the Report of the Comptroller and Auditor General of India-Government of Nagaland –1998-99 that under ICDS Programme the Social Security and Welfare Department responsible for supply and administering of free Vitamin 'A' Solution to all children in the age group of 0-5 for prophylactic purpose and to prevent blindness, had not implemented the programme.

3.1.12 Steps were not taken by the DHS/SPO to co-ordinate with the Social Security and Welfare Department for supply of Vitamin 'A' solution to the infants to remove vitamin A deficiency and to check growing eye-problems in children which may develop further complications including blindness.

Information, Education and Communication (IEC)

3.1.13 Records of DHS (SOC) and the DBCS test checked showed that the State had neither formed any programme implementation committee nor had drawn up any annual action plan specifying the IEC activities to be carried out.

3.1.14 The SPO stated (July 2001) that no target was set for IEC activities nor any details of expenditure incurred on the programme could be produced to audit. In absence of which extent of IEC activities on eye care could not be ascertained and evaluated in audit.

Training

3.1.15 Training of district team (Trainers and District Eye surgeons in Intra Ocular Lenses (IOL) surgery) is organised by the National Management Cell under DGHS (Ministry of H&FW) who also selects the trainees. Training of Medical Officers (MOs) of PHCs, Ophthalmic Assistants (OA), Health Workers, Nurses, Operation Theatre (OT) Assistants, and school teachers were to be organised by the State within the districts.

3.1.16 It was, however, noticed that out of 102⁴ personal selected for training by the GOI during 1996-2001, 38⁵ personals (37 *per cent*) were sponsored by the GOI and 11⁶ personal (11 *per cent*) only were trained in community Eye Health during the period. This indicated that training activities carried out in the State were very poor.

Monitoring and evaluation

3.1.17 The State programme management cell/programme implementation under the chairmanship of the Secretary, H&FWD with DHS as member was required to monitor the implementation of the programme. The DHS (SOC) stated (August 2001) that as the State level Society and also the programme implementation committee had not yet been set up in the State, there was slackness in monitoring the implementation of the programmes under NPCB.

3.1.18 Eversince implementation of the NPCB in the State in 1981-82, the programme had not been evaluated to asses the extent to which the incidence of blindness was reduced to achieve the target of 0.3 *per cent* by 2000 A.D.

3.1.19 The matter was reported to Government and Department in October 2001; their replies had not been received (January 2002).

⁴ 19 Eye Surgeons + 56 Officers + 27 Ophthalmic Assistants.
⁵ 7 Eye Surgeons + 4 Medical Officers + 27 Other Assistants.
⁶ 7 Eye Surgeons + 4 MOS

3.2 Programmes for Prevention and Control of Diseases

B. National Tuberculosis Control Programme

Highlights

A review of the National Tuberculosis Control programme revealed that the State despite having large infrastructure that cost the Department Rs.167.63 lakh per annum failed to identify TB-prevalence rate and intensify treatment through conventional and Direct Observation Treatment and achieve desired cure rate which is still at zero. The poor performance as analysed by Audit was found to be due to casual approach and slack internal control mechanism of the implementing agency.

Central assistance of Rs.9.70 lakh meant for 3 specific anti-TB drugs was diverted and misused on purchase of other drugs.

(Paragraph 3.2.6)

The State and the 3 District TB Control Societies had not utilised Rs.35.98 lakh out of Rs.44.14 lakh received from GOI. Other 4 Societies which received Rs.34.68 lakh had not furnished any accounts.

(Paragraph 3.2.7)

The target for identification of new TB cases was fixed without any basis. Against the target of 7109 cases to be detected during 1996-2001, 6143 cases were detected of which 3151 cases were brought under treatment.

(Paragraph 3.2.12)

There were no evidence of peripheral TB health care services for case detection and Direct Observation Treatment since the Microscopy centres in the State remained defunct.

(Paragraph 3.2.15)

Introduction

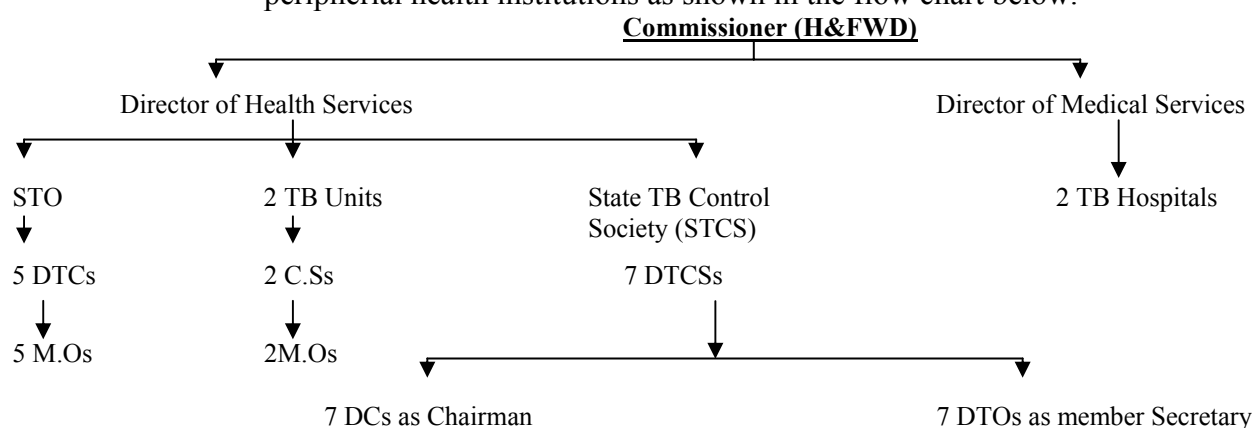
3.2.1 The National Tuberculosis Control Programme (NTCP) though launched by the Government of India (GOI) in 1962, in Nagaland, the programme was taken up from 1982 with the establishment of 5 (five)¹ District Tuberculosis Centres (DTC) in five district headquarters. The objective of the NTCP was to contain the spread of the disease through detection of a large number of Tuberculosis (TB) patients and treat and cure them effectively. To achieve a cure rate of 85 per cent through Short Course

¹ Kohima (including Dimapur which emerged as separate district in December 1997) Mokokchung, Tuensang, Mon and Zunheboto.

of Chemotherapy (SCC) a revised strategy for implementation of NTCP (RNTCP) was taken up in the State in 1999-2000.

Organisational set up

3.2.2 The Commissioner, Health and Family Welfare implement (H&FWD) is overall responsible for Health Services (DHS) and Director of Medical Services (DMS) exercise their control over supervision. The programme is implemented in the State by State TB Officer (STO) through a network of peripheral health institutions as shown in the flow chart below.



Audit coverage

3.2.3 Implementation of the programme in the State during 1996-2001 was reviewed in audit by test check of records of DHS/STO, 3 (out of 5) DTCs,² 3 (out of 7) DTCSs and the 2 TB Hospitals during June-August 2001, by covering an expenditure of Rs.176.64 lakh³ (20 per cent).

Financial outlay and expenditure

Receipt and expenditure of State

3.2.4 As per financial pattern of the programme, the cost of anti TB drugs is borne by GOI. and all other expenditure including programme management and salary of the staff are to be met from State Plan and Non Plan funds. The provisions made in the budget for implementation of the programme, grants released by GOI under CSS and the expenditure thereagainst during 1996-97 to 2000-2001 are detailed in *Appendix-XII*.

3.2.5 It appeared that against the provision of Rs.67.87 lakh under Non Plan during 1996-97, the department incurred expenditure of Rs.74.17 lakh. This led to excess of expenditure Rs.6.30 lakh. Besides, Rs.66.78 lakh had been spent during 1996-97 by T.B. Hospital for which as Budget Provision was provided. The reason for the excess expenditure over budget provision and incurring expenditure without any budget provision was not stated.

² Kohima, Mokokchung and Mon.

³ Out of total expenditure of Rs.883.16

Diversion of funds

3.2.6 During 2000-01, the GOI sanctioned (July 2000) Rs.10.69 lakh to the State for procurement of 3 specific anti-TB drugs⁴ for sputum negative TB patients. Though the DHS showed (December 2000) procurement of these 3 drugs at a cost of Rs.10.69 lakh from a local supplier, stock registers of the STO accounted for receipt of anti-TB drugs only for Rs.0.99 lakh and other general purpose drugs for Rs.8.27 lakh indicating short receipt of medicines worth Rs.1.43 lakh. Thus, there was a diversion and misuse of Central funds of Rs.9.70 lakh of which Rs.1.43 stood misappropriated as evidenced by non-receipt or short accountal of medicines.

Receipts and expenditure of TB Control Societies

3.2.7 Records of STC test checked, showed that total grant of Rs.78.82 lakh was received by all the 8 societies during 1999-2001. Against the receipt of Rs.44.14 lakh by STCS and 3 DTCS, Rs.8.16 lakh had been spent by STCS and DTC, Mokokchung leaving unspent balance of Rs.35.98 lakh as detailed in *Appendix-XIII*. The STCS could not furnish the expenditure incurred by the remaining 4 DTCS (not covered by audit) against the receipt of funds of Rs.34.68 lakh.

3.2.8 Non-utilisation of the funds was attributed by the Societies to non-purchase of vehicles as funds fell short of the market price. Reasons for non-incurring expenditure on the other components were not stated.

Implementation of programme

Survey and Planning

3.2.9 Records indicated that the DHS/STO had not conducted any survey to assess the prevalence rate of TB patients in the State. The STO and the MO, DTCS or the DTO, DTCS had also not drawn up any action plan indicating area of operation and annual activities to be carried out at the various levels of implementing agencies.

Infrastructure

Opening of DTCs and their functioning

3.2.10 Though the department claimed to have established 5 DTCs in 1982 the statistical report (October 2000) of STO, showed that all the DTCs were established prior to 1995, but from reports and returns that were submitted by the DTCs to the STO, it was seen that only the 2 DTCs at Kohima and Mokokchung were functional. This was also corroborated by a feed back report (May 2001) received by the State from GOI (Ministry of H&FW, DGHS). Thus, the other 3 DTCS at Mon, Tuensang and Zunheboto and TB Units under Civil Surgeon, Phek and Wokha were not functional till 1999-2000 despite having requisite manpower. This was evidenced in audit during test check of the records of DTC, Mon that upto 1999-2000, it had no records of activities done and for 2000-01, there was a 'nil' performance report even

⁴ Tablet INH, Ethambutol and Thiacetazone.

though the DTC, Mon had spent Rs.69.80 lakh on staff salaries and office expenses during 1996-97 to 2000-01.

TB Units and Microscopy Centres

3.2.11 Records showed that the state established 8 TB Units (TU) and 26 Microscopy Centres (MC) without following the norms of population criteria (one TU for 5 lakh population and one MC for 1 lakh population) and without obtaining approval from GOI. Besides, there was nothing on records to show that all the MCs in the State were provided with Microscopes and other requisite equipment either through the GOI or by the State Government to carryout Sputum Smear Tests, for identification of new cases or for continued treatment of old cases. To an audit query, it was stated by the STO that MCs had not been made operational.

Identification of TB patients and treatment

NTCP

3.2.12 On test check of the records of STO, it was seen that the State implementing machinery (STO) at the DHS did not have any feed back from the field units through quarterly and annual reports showing the number of cases detected and treated year-wise. However, from various reports/returns submitted by STO to GOI during 1996-2001, it was seen that against target for 7109 new TB cases to be detected, the STO recorded achievement of 6143 (86.41 *per cent*) out of which 3151 cases were brought under treatment as detailed in *Appendix-XIV*. Thus, the fate of balance 2992 (47.47 *per cent*) newly detected TB-patients was not known. Generally, as per norms, 2.58 *per cent* of the patients are coming to the hospital with chest symptoms. The basis of fixation of target for identification of new TB cases was not made available to audit.

RNTCP

3.2.13 Under RNTCP, the identified TB patients after categorisation are required to be issued registration card (with registration number) and identity cards and administered first dose of medicine. Subsequent doses of the medicine for intensive and continued phases would be administered by a 'DOT⁵' provider in the periphery of the patient.

3.2.14 But, it was noticed in audit that the State TB Control Society had no information on the number of patients that were brought under DOT during 2000-01 though all the 7 District Societies were made operational in the State from 2000-01.

3.2.15 From the records of 3 DTCs test checked, it was seen that though they received medicine from GOI and the STCs (out of Central cash assistance), there were no records with the DTCs, Kohima and Mon to show that any medicine had reached the MCs for issue to patients under DOT. This was mainly because of non-functioning of MCs under Kohima and Mon.

⁵ Direct Observation Treatment (DOT).

Discrepant reporting of TB case detection and treatments

3.2.16 The STO at the State headquarter from time to time prepared and submitted consolidated status reports to GOI on TB case detection and treatment provided. From different reports prepared at different points of time as shown in *Appendix–XV* showed that none of the reports were congruent in as much as the number of new TB patients detected during 1999-2000 appeared as 1978, 3240 and 643 in 3 different reports. Similarly, the number of new TB patients treated during the said year was shown as 413 and 1727 in 2 different reports.

3.2.17 Further, under RNTCP, the STO's claim for having treated 303 cases with Short Course Chemotherapy (SCC) during 2000-01 under which 60 patients completed their treatment was not supported by feed back report of field units *viz.*, DTCS. Records of these DTCs showed that no new TB-patients identified during 2000-2001, were brought under DOT/Short Course of Chemotherapy indicating fictitious reporting of achievement.

3.2.18 Thus, the inconsistent and incongruent status reports furnished by the STO showing targets and achievements under both TB case detection as well as treatments provided were unrealistic and fictitious since the consolidated status reports were not based on any feed back from the implementing agencies at the periphery. Data analysis from the available reports showed that the State had not yet registered any cure rate indicating that it is still at 'zero' level. This had frustrated the very purpose of implementing NTCP/RNTCP.

Training

3.2.19 The STO, however, could not furnish year-wise details of targets and achievements for imparting training to the MOs and PMS engaged on NTCP/RNTCP work and expenditure incurred. On RNTCP, however, records showed that 8⁶ MOs received training at the TB Training and Demonstration Centre at the Calcutta Medical College during 6th to 17th February 2001. Thus, it is evident that non-availability of required trained personnel adversely affected implementation of the programme in terms of case detection and treatment.

Monitoring and evaluation

3.2.20 The State TB Officer and the DTOs were required to monitor the progress of implementation and send quarterly reports to the Central TB Division of GOI for analysis by the National TB Institute (NTI), Bangalore.

3.2.21 It was noticed from a feed back report of the NTI, Bangalore, that 6 quarterly reports for 1999-2000 only were sent by the DTOs Kohima and Mokokchung. Thus, against requirement of 28 quarterly reports to be submitted by 7 DTOs only 6 such reports were submitted to GOI. No reports for 2000-01 had yet been submitted by these DTOs, which indicated that the monitoring of the programme was virtually non-existent.

⁶ STO = 1, DTO = 5, CS = 2.

Recommendations

3.2.22 In view of the irregularities and shortcomings noticed in the foregoing paragraphs the following recommendations are made-

Survey and identification of both incidence of blindness and prevalence rate of Tuberculosis patients should be made.

Annual Action plans should be drawn up and operationalised to make best use of the existing infrastructures for optimising case detection and treatment under both the programmes.

Requisite training of the executing officers *viz.*, Eye Surgeons and TB Officer should be provided.

The implementation of the programmes be monitored by setting up required control mechanism as recommended by GOI.

The matter was reported to Government and Department in October 2001; their replies had not been received (January 2002).

3.3 Programmes for Prevention and Control of Diseases

C National AIDS Control Programme

Highlights

A review of the National AIDS Control Programme implemented in the State during 1996-97 to 2000-01 revealed that the implementation of the programme suffered a set back due to the absence of a comprehensive policy, programme mismanagement, centralised financing and absence of accountability that resulted in excess reporting of expenditure, large scale misuse of funds through diversion and advance payments, non monitoring of the financial and physical performance of substantially financed Non-Governmental organisations and non-initiation of remedial measures through monitoring and evaluation of performance of the implementing agencies. Resultant effect was that the State against achievement of target for HIV/AIDS infection rate below 1 per cent of adult population, had registered incidence rate of 2.52 per cent of the population marginally covered.

Against available balance of Rs.4.14 lakh with the State Government as of April 1998 the State Finance Department irregularly authorised (March 1999) Director of Health Services (DHS) to draw Rs.25 lakh of which the DHS transferred only 0.04 lakh to the State AIDS Control Society and misutilised balance Rs.24.96 lakh.

(Paragraph 3.3.7)

The total reported expenditure of Rs.1169.60 lakh for 1996-2001 was inflated by Rs.329.54 lakh on account of advance payments made to departmental officers/NGOs from whom accounts and vouchers had not been received as of March 2001

(Paragraph 3.3.8)

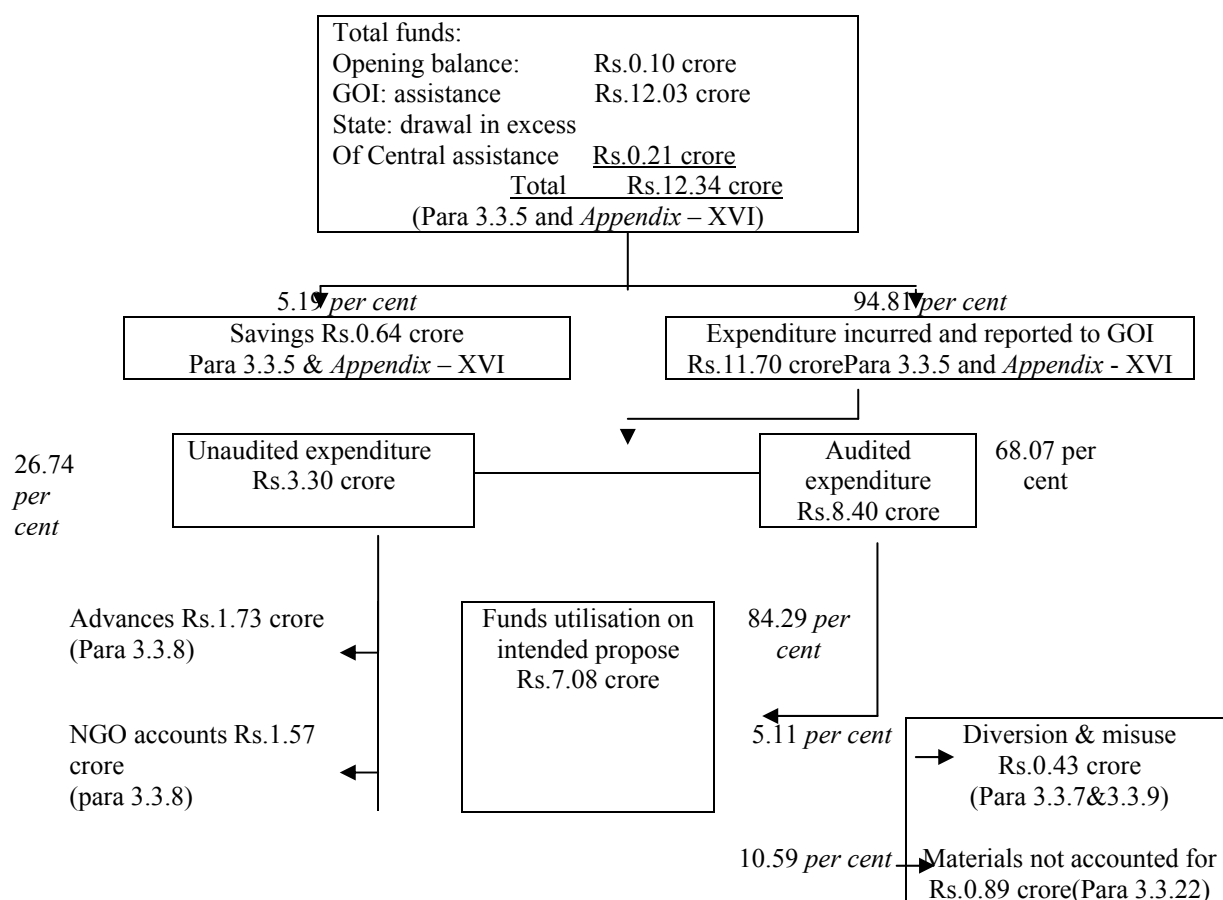
Programme funds of Rs.17.86 lakh was unauthorisedly diverted on procurement of vehicles

(Paragraph 3.3.9)

Incidence of HIV/AIDS infection rate among the STD patients and antenatal mothers were on the increase and as of 2000 registered at 6.96 per cent and 1.63 per cent indicating dissemination of infection among general community.

(Paragraph 3.3.15)

FINANCE TREE
(National AIDS Control Programme)
1996-2001



Introduction

3.3.1 The National AIDS¹ control programme a cent *per cent* centrally sponsored scheme (CSS), though lunched by the Government of India (GOI) in September 1992, in Nagaland the programme was taken up as State Plan Programme from March 1992 with the setting up of State AIDS cell (SAC) in the Directorate of Health Services (DHS) was converted into the Centrally Sponsored Scheme from September 1992. Subsequently in April 1998, the Nagaland State AIDS Control Society (NSACS) was formed and took over the programme implementation of AIDS control from SAC. The Phase II of the programme funded by the World Bank was started from April 1999 with the objective of reducing the level of HIV² prevalence rate below 1 *per cent* among adult population.

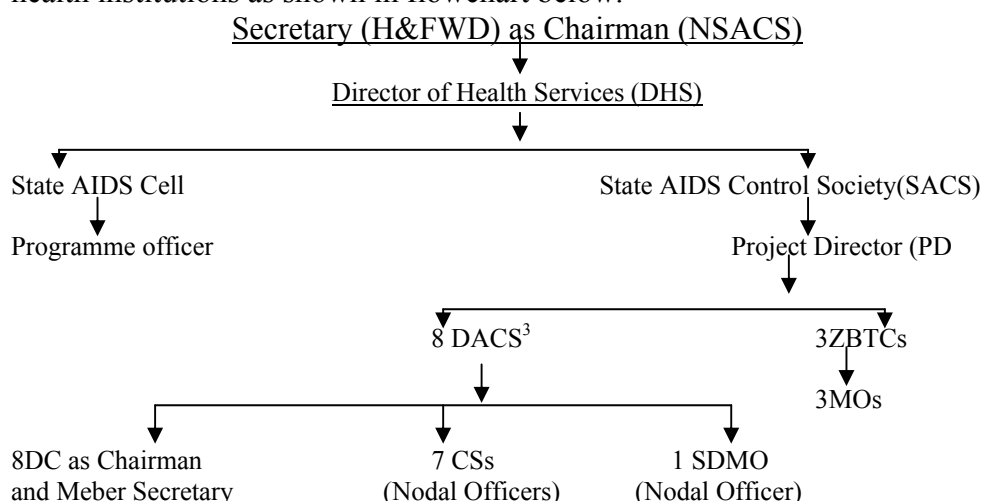
Organisational set up

3.3.2 The Secretary to the Government of Nagaland (GON) Health and Family Welfare Department (H&FWD) is overall responsible for Health Services and Programme Director of Nagaland State AIDS Control Society (NSACS) exercise their control over supervision in implementation of the programme.

¹ Acquired Immuno Deficiency.

² Human Immuno Deficiency Virus.

The programme is implemented in the State through a network of peripheral health institutions as shown in flowchart below.



Audit coverage

3.3.3 A review on implementation of National AIDS control programme was for the period from 1993-94 to 1995-96 was featured in para 3.9 of Report of the Comptroller and Auditor General of India – Government of Nagaland 1995-96.

3.3.4 The implementation of the programme during 1996-97 to 2000-2001 was reviewed in Audit during June-August 2001 by test check of the records of the Programme Officer AIDS cell, DHS, PD, NSACS, all 3 Blood Banks and ZBTC covering 68 *per cent* of the expenditure incurred on the programme. Important points noticed during test check are highlighted in succeeding paragraphs.

Financial outlay and expnditure

3.3.5 Funds released by GOI to the State Government and by the National AIDS Control Organisation (NACO) to the State AIDS control society and expenditure incurred by the State/NSACS during 1996-97 to 2000-01 as per records maintained by Sr. Deputy Accountant General (A&E) office and data furnished by the Society were as under:-

Table No.3.4 (Rupees in lakh)

Year	Opening balance	Funds released by GOI/NACO	Expenditure incurred by SAC/NSACS	Closing balance
1996-97	10.33	190.00	175.05	25.28
1997-98	25.28	155.00	176.14	4.14
1998-99	25.00 ⁴	227.00	251.96	0.04
1999-2000	0.04	380.00	379.07	0.97
2000-2001	0.97	250.50	187.38	64.09
Total:-		1202.50	1169.60	

³ DACS(District AIDS Control Society), CS (Civil Surgeon), SDMO (Sub-Divisional Medical Officer), ZBTC (Zonal Blood Testing Centre) and DC (Deputy Commissioner).

⁴ Against closing balance of Rs.4.14 lakh as on 31 March 1998, the DHS projected balance as Rs.25 lakh and drew the amount (March 1999) but handed over Rs.0.04 lakh only to the NSACS.

3.3.6 In addition to above, the GOI also provided assistance of Rs.4.82 lakh for blood banks during 1998-99 (Rs.3.82 lakh) and 1999-2000 (Rs.1 lakh). Component-wise break up of expenditure phase-I and phase-II of implementation of the scheme are given in *Appendix –XVI* and *XVII*.

The following points were noticed:-

Unauthorised drawal and misuse of funds and reporting of inflated expenditure

3.3.7 Though establishment of Nagaland AIDS Control Society (NSACS) was preponed and made operational from 1 April 1998, unutilised central assistance of Rs.4.14 lakh lying with the State Finance Department at the end of 1997-98 was not transferred to the NSACS. On the contrary, funds of Rs.25 lakh were released against AIDS control programme to the DHS. Accordingly, the DHS drew (March 1999) the amount and utilised on procurement of materials for AIDS control programme and transferred Rs.0.04 lakh only to the society. The NSACS stated (December 2001) that funds of Rs.25.00 lakh could not be spent during the year of release i.e. 1997-98 due to late receipt which was spent by the DHS in 1998-99, but failed to produce the detailed records of utilisation.

Irregular drawal of funds

3.3.8 The DHS usually continued to draw funds from the treasury through FVC bills by enclosing only a statement of expenditure as sub-voucher. Records showed that Rs.329.54 lakh paid as advance to different officers, and NGOs for various purposes during 1996-2001 by charging them as final expenditure without getting any adjustment of expenditure from them. The amount of advances remained outstanding due to non-submission of accounts by the Programme Officer (Rs.172.87 lakh) and NGOs (Rs.156.67 lakh). Thus, expenditure was over reported by Rs.329.54 lakh. The NSACS stated (December 2001) that in order to effectively carry out different activities advances were released to different officers and NGOs.

Diversion of programme funds

3.3.9 Funds allotted and released by GOI did not include provision for purchase of new vehicles except for maintenance of existing vehicles. The Programme Officer (PO), AIDS Cell and the Project Director (PD), NSACS, however, diverted Rs.17.86 lakh programme funds on purchase of 5 light vehicles between March 1998 and January 2000. But, approval of the NACO was not obtained by the NSACS.

ii) The NSCAS stated (December 2000) that in order to effectively carry out the AIDS control activities, the society decided to purchase some light vehicles as was decided in the meeting of the Empowered Committee held on 21 September 1996 in the office chamber of the Secretary, H&FWD.

iii) The reply is not acceptable as no approval was obtained from NACO.

Implementation of the programme

Blood Safety

3.3.10 Blood banks and zonal blood testing centres-Under assistance (both cash and kind) from NACO (GOI) Blood Bank at the Naga Hospital, Kohima was to be modernised and blood transfusion centres at 2 Civil Hospitals (Dimapur and Mokokchung upgraded by addition of required infrastructure, equipment and manpower. The 3 Zonal Blood Testing Centres (ZBTC) attached to the blood banks were also required to be provided with necessary equipment with full facilities for supply of safe blood.

3.3.11 Records of DHS/NSACS showed that modernisation and upgradation of the above blood banks have been done and ZBTCs set up with each blood bank, with requisite manpower, information of the equipment and chemicals provided (by NACO)/GON and NSACS) to them was not available. Records of Hospitals at Kohima, Dimapur and Mokokchung (test check) showed that-

(i) Only 3 Medical Officers and 6 technicians of these 3 hospitals have been trained so far.

(ii) Records of SAC/NSACS showed procurement and distribution of blood banks equipment and chemicals⁵ worth Rs.13.25 lakh to the NHK and Dimpaur Civil Hospital, between 1996-97 and 2000-01. But records of these hospitals, however did not show receipt of these equipment indicating non-receipt or non accountal of the equipment. The Blood samples collected and tested in these hospitals during 1996-97 to 2000-2001 were as under:-

Table No.3.5

Year	Blood samples tested (No of persons)	HIV positive cases detected No of persons (per cent)
1996-97	7011	412 (5.88)
1997-98	1507	40 (2.65)
1998-99	1910	72 (3.77)
1999-2000	6494	214 (3.30)
2000-2001	2440	72 (2.95)
Total	19,362	810 (4.18)

3.3.12 The position given above was inclusive of all samples collected in the sentinel survey as well as in the STD clinics.

3.3.13 Thus, over a period of five years 1996-2001, the programme implementing agency had covered only 19,362 cases out of 16 lakh estimated population of the State. The poor coverage also disclosed prevalence rate of HIV/AIDS infection ranging from 2.65 *per cent* to 5.88 *per cent* of the total cases tested. This indicated poor functioning of the State machinery.

Sentinel Surveillance

3.3.14 In order to keep a surveillance on the infection rate of AIDS by effectively monitoring the HIV positive cases and to help take preventive steps (both auxilliary and diagnostic) to contain the spread of the deadly infectious virus, the department set up 2 surveillance centres at Kohima and Dimapur and carried out sentinel surveillance between 1 August and 31 October each

⁵ Audio and PA system, PP screen, Overhead projector, Voltage stabilazer, Standby generator, Fax machine, Slide projector, Glass slide, Tube alter VDRL-Vendix, PO bag, IV set, HIV/EIA, camb sren and Aids

year by drawing blood samples from four out of 8 districts of the State. The 4 remaining districts viz Wokha, Phek Zunheboto and Mon were never covered for which no reasons were on record. However, of the 6344 blood samples of Intra-Venous Drugs Users (IVDU-697) tested during 1996-2000, Sexually Transmitted Diseases (STD-1162) patients and Antenatal Cases (ANC-4485), 229 cases were found HIV positive indicating prevalence rate of 2.52 per cent at an average at the end of the year 2000 as shown in *Appendix -XVIII*.

3.3.15 As per NACO survey report, the incidence of HIV infection at the end of the year 2000, among the IVDU, STD patients and ANC were 7.03 per cent, 6.90 per cent and 1.35 per cent respectively.

3.3.16 This indicated the performance of the SAC and NSAC has not been satisfactory and the main objective of the programme was not achieved despite spending of Rs.13.95⁶ crore on the programme which included Rs.32.01⁷ lakh being spent on Sentinel Surveillance alone during 1993-2001.

Control of Sexually Transmitted Diseases

3.3.17 To contain the spread of sexually Transmitted Diseases (STD) including HIV/AIDS through identification, counselling preventive as well as diagnostic steps, 8 STD clinics had been set up in 8 district hospitals of the State. Over a period of 5 years -1996-2001 (except 1997 when no STD survey was conducted) out of 1162 STD patients tested 52 were found HIV positive indicating an average incidence rate of HIV positive case among STD patients at 4.48 per cent as detailed in *Appendix -XVIII*. It also showed that HIV positive cases among the STD patients are increasing, rising from 3 per cent in 1996 to 6.96 per cent in 2000, despite implementation of IEC activities and Family and Health Awareness Campaign.

Training

3.3.18 According to the NACO guidelines the State (SAC/NSACS) drew up annual action plan for imparting training to the functionaries viz the doctors, nurses, technicians and the para medical staff of the health care services both from Government as well as at the private sectors.

3.3.19 Records showed that the SAC/NSACS with the help of State and national faculties conducted 241 various training programme and 959 doctors, 1356 nurses, 54 technicians and 1383 para medical staff of both Government and private sector were trained in AIDS control during 1996-2001 at a cost of Rs.162.59 lakh. However, in respect of expenditure of Rs.72.26 lakh details of training programme conducted were not furnished. For want of these bonafides of this expenditure of Rs.72.26 lakh were not vouchsafed.

6	Total expenditure	1933-96	Rs.225.70 lakh.
		1996-2001	<u>Rs.1169.60 lakh.</u>
		Total	Rs.1395.30 lakh
7	Upto 1995-96 1996-2001 Total	Rs.9.14 lakh.	
		<u>Rs.22.87 lakh.</u>	
		<u>Rs.32.01 lakh</u>	

Other points

3.3.20 Records of SAC and NSACS indicated that Rs.5.70 crore was spent during 1996-2000 in various IEC activities, but detailed records in support of expenditure were not maintained. Further, materials worth Rs.89.13 lakh procured during 1996-2001 were not accounted for in stock register. As such, the expenditure could not be vouchsafed in audit.

Monitoring and evaluation

3.3.21 Proper monitoring of the progress of implementation and the physical and financial achievements was not done till the end of 1998-99. From 1999-2000 though regular reports were sent to GOI (NACO), the practice of inflated reporting of expenditure that included advances payments as well, continued. Physical performance had never been vouched with financial performance with consequential impact on the programme that showed increase of HIV/AIDS incidence among the STD patients and antenatal mother while in the case of IVDUs there has not been a significant decline.

3.3.22 The programme has never been evaluated by an independent authority as required to assess the impact of implementation of the programme. The consolidated reports/returns that were sent to the GOI has also not been analysed and evaluated at the State headquarter or by the GOI and follow up action taken to arrest the rising trend of HIV infectious.

Recommendations

3.3.23 In view of the irregularities and shortcomings noticed in the foregoing paragraphs the following recommendations are made-

- (i) Spending of programme funds should be accountability centred.
- (ii) Activities of the blood banks and sentinel survey should be intensified to get adequate coverage in blood sample collection and testing.
- (iii) Accountability of the IEC activities, NGOs performance training should be ensured.
- (iv) There should be proper analysis and evaluation of feed back data received from various agencies to evolve suitable strategies for implementation.

3.4 Programmes for Prevention and Control of Diseases

D. National Leprosy Eradication Programme

Highlights

A review of the implementation of the Leprosy Eradication during 1996-2001 showed that the Government's claim of having achieved elimination of leprosy from the State by reducing the prevalence rate per 10,000 population from 38.6 in 1981-82 to 0.38 by 1998-99 and further reducing it to 0.32 by March 2001 did not appear to be convincing in the absence of reliable data on field and clinical management of the disease, deployment and mobility of manpower and vehicles.

Unreliable data on case detection, treatment and achievements that included death and migration cases as well, did not show real position of prevalence rate of leprosy in the State.

(Paragraphs 3.4.8 & 3.4.11)

There was no extra impact on case detection and treatment during two rounds of Modified Leprosy Eradication Campaign conducted during 1997-98 and 1999-2000 indicating unfruitful utilisation of central assistance of Rs.68.55 lakh.

(Paragraph 3.4.21)

Of the Central assistance of Rs.39 lakh provided during 1996-2001, the Director of Health Services and the State Leprosy Officer are suspected to have misappropriated Rs.37.02 lakh.

(Paragraph 3.4.26 & 3.4.28)

Introduction

3.4.1 The National Leprosy Control Programme (NLCP) launched by the Government of India (GOI) in 1954-55 was taken up in Nagaland in 1982 as a 100 percent Centrally Sponsored Scheme (CSS). In 1983, the programme was redesignated as National Leprosy Eradication Programme (NLEP). The objective of the NLEP was to eliminate Leprosy by the end of 2000 AD by reducing the prevalence rate (PR) to less than 1 per 10,000 population.

3.4.2 Strategy of leprosy elimination included early detection of cases and prompt treatment. The World Health Organisation (WHO) recommended Multi Drug Therapy (MDT) was introduced in the State by the end of 1994-95 by setting up (March 1995) of Leprosy Societies in all 7¹ districts of the State.

¹ Kohima, Phek, Mokokchung, Tuensang, Mon, Wokha, Zunheboto.

The modified NLEP included providing of MDT services through Mobile Leprosy Treatment Unit (MLTU), health education to the patients and organising Leprosy eradication campaign under active participation of District Leprosy Societies (DLS) under over all control and supervision of the 3² Zonal Leprosy Officers (ZLO) who are the member secretaries of the DLS falling under each Zone. The DLS received grants from the GOI

Organisational set up

3.4.3 At the State level, a State Leprosy Officer (SLO) under the overall financial and administrative control of the Government of Nagaland (GON), Health and Family Welfare Department (H&FWD) and the Director of Health Services (DHS) is responsible for planning, co-ordination and programme implementation. The State Leprosy Society was formed in March 2000, with the SLO functioning as the Member Secretary and Secretary, H&FWD, as the Chairman. The SLO is assisted by the 3 ZLOs and the 7 DLS.

Audit coverage

3.4.4 Implementation of the programme was reviewed in audit by test check of the record from 1996-97 to 2000-01 of DHS/SLO, 1 ZLO³ (out of 3) and 3⁴ (out of 7) DLS during June-August 2001 covering an expenditure of Rs.264.04 lakh (49.97 per cent). Important findings of test check are highlighted in succeeding paragraphs:-

Financial Management

State Government and the State Society (DHS/SLO)

3.4.5 Funds released GOI, GON and the expenditure incurred thereagainst were as per records maintained by Sr. Deputy Accountant General (A&E) office and the information furnished by the State Leprosy Society were as under:-

Table No.3.6 (Rupees in lakh)

Year	Opening balance	Funds allocated by GOI to		State Share GON	Total funds	Expenditure		Total expenditure	Closing balance
		State Govt.	Society			By State	Society		
1996-97 ⁵	8.17 ⁶	7.00	81.00	4.81	100.98	3.40	62.43	65.45	
1997-98		8.00	172.81 ⁷	2.96	183.77	15.53	178.92	194.45	
1998-99		8.00	41.00	3.14	52.14	10.39	60.40	70.79	
1999-2000		8.00	83.04 ⁸	2.85	93.89	10.69	82.68	93.37	
2000-01		8.00	92.00	3.08	103.08	11.06	92.82	103.88	
Total	8.17	39.00	469.85	16.84	533.86	51.07	477.25	528.32	5.54

² ZLO, Dimapur (DLS, Kohima, Phek & Dimpaur (from December 1997)
ZLO, Tuensang (DLS, Tuensang and Mokokchung)
ZLO, Mon (DLS, Mon, Wokha and Zunheboto).

³ Dimapur.

⁴ Kohima, Mokokchung and Mon.

⁵ Opening balance of CSS funds could not be worked due to non-availability of information for the past periods.

⁶ As per the accounts of the 7 DLS.

⁷ Includes MLEC funds of Rs.55.46 lakh and Rs.13.09 lakh for 1997-98 & 1999-2000 respectively.

3.4.6 In addition to receipt of Central cash assistance of Rs.39 lakh, the State also received commodity assistance of Rs.48.63 lakh in the form of anti-leprosy medicine (Rs.18.68 lakh) and 6 medium vehicles (Canther Mini Bus = Rs.29.95 lakh) for MLTUs.

3.4.7 Overall expenditure (including CSS and State component as given above) as per Appropriation Accounts on the programme during 1996-97 to 1999-2000⁸ was Rs.506.37 lakh against State budget provision of Rs.492.83 lakh as shown in the *Appendix – XIX*. The expenditure in excess of those shown in the table given above was on the programme management (staff salaries) and met out of State exchequer.

Implementation of the programme

Infrastructure development

3.4.8 For effective implementation, GOI guidelines prescribed one Leprosy Control Units (LCU) for every 4-5 lakh population, one Urban Leprosy Centre (ULC) for every 50,000 population in urban areas and one Survey, Education and Training (SET) Centre for every 25,000 population and one Mobile Leprosy Treatment Unit (MLTU) for every low endemic districts. The State having a population 12.10 lakh as per 1991 census in 8 districts (since December 1997) was being served with 7 District Leprosy Societies (DLS) under 3 ZLO at Dimapur, Mon and Tuensang since inception of the programme (March 1995).

3.4.9 As per the norms fixed GOI guidelines the various units required to be created and established thereagainst in the State were as under:

Table No.3.7

Sl. No.	Name of units/centre	Requirement as per GOI guideline	Achievement
1.	LCU	3	2
2.	ULC	24	2
3.	SET	48	32

3.4.10 Due to shortfall in creation of required infrastructure, implementation of the programme had been adversely affected. The reasons for non creation of the required infrastructure were not stated.

Case detection and treatment

3.4.11 Targets set for the State by GOI/GON for identification and treatment of leprosy patients in the State were not available on record. However, year-wise detection of new cases, treatment provided (both old and new) as seen from the records of SLO and DLS were as under:-

⁸ Information for 2000-01 not available due to non-compilation of Appropriation Accounts

Table No.3.8

Year	No. of patients at the beginning of the year	New cases detected during the year	Relieved from treatment (RFT)	Balance under treatment	Average PR per 10,000 population out of 12.10 lakh (5-:- 12.10)
1	2	3	4	5	6
1996-97	539 ⁹	67	490	116	0.96
1997-98	116	55	58	113	0.93
1998-99	113	71	124	60	0.50
1999-2000	60	82	78	64	0.53
2000-01	64	68	77	55	0.45
Total		343	827		

Source: Departmental records

3.4.12 As per leprosy survey conducted by the Health department in March 2000, district-wise breakup of leprosy cases registered, treated, released after treatment (RFT) and balance under treatment as of March 2000 was as shown in *Appendix – XX*. It would be seen from the *Appendix-XX* that there was wide variation in the number of cases on records and No. of patients released after treatment during the year 1999-2000. Similarly, the prevalence rate also differed. This indicates that the records maintained by the SLO and the DLS were not reflecting the true state of affairs.

3.4.13 As against a prevalence rate of 38.6 per 10,000 population in 1981-82, the PR at 0.38 per 10,000 population by March 2000 recorded a significant achievement within a span of 20 years, credit for which rests with the implementing authority and WHO's MDT therapy. The GOI declared (February 2000) Nagaland as the first State to have achieved elimination of leprosy and also awarded a cash prize of Rs.15 lakh to the State for furtherance of leprosy treatment, care and rehabilitation of leprosy affected people in the State.

3.4.14 Receipt of the reward amount and utilisation thereof on the desired purpose had not, however, been reflected in the account and records of the Department, ZLOs and the DLS. Both the SLO and the ZLOs have stated that the prize money was received by the Minister, H&FW only in July 2001.

3.4.15 Of the 827 RFT cases of 1996-2001, 813 were recorded as cured; 10 died and 4 migrated to other States the reason for which had not however been put on record. Among the cured, there were 3 relapsed cases of 1998-99 (2) and 1999-2000 (1), which were recorded to have been cured subject to skin smear tests and remedial measures taken.

9

Progressive cases registered upto 2000-01	2486
Less cases detected during 1996-2001	(-)343
Case detected upto 1995-96	2143
Less cases treated & released upto 1995-96	(-)1604
Cases under treatment	539

MDT Therapy

3.4.16 MDT being an important strategy towards elimination of leprosy was under implementation in the State since 1995-96 in all the 7 districts of the state. The DLS directly funded by the GOI (cash assistance) would also receive anti-leprosy (MDT) drugs from GOI through the SLO. Six of the 7 MLTUs were provided with vehicles (Bus) to arrange administration of the medicine to the leprosy patients at fixed intervals and at a fixed point within the reach of the patient.

3.4.17 It was, however, noticed on test check of records of the SLO, that records for receipt and distribution of MDT drugs existed from 1997 onward only even though vehicle and MDT drugs were provided by GOI since 1995-96. Receipt, of medicine and distribution thereof to the districts are given in *Appendix – XXI*.

3.4.18 It may be seen that as of 31 March 2001, the SLO had not distributed the following medicines which included expired medicines as well.

Table No.3.9

	Total received	Balance in stock	Expenditure		Date of expiry
			Quantity	Year to total	
Multi bacillary (MB)					
Child (C)	9530	1912	912	10	7/98
Adult (A)	13074	4912	912 500	12	9/98 7/2000
Pancibicillary					
Child (C)	2500	1000	400	16	7/2000
Adult (A)	13956	24,000			
ROM	500	50	50	10	10/2000

Source: Departmental records

3.4.19 In the event of treatment being provided by the DLS through the MLTUs, holding of large quantity of medicine in the stock of SLO was irregular and because of such irregular retention of medicines with the SLO, medicines valued Rs.0.75 lakh expired in stock itself. Reasons for non-distribution of the medicines were neither on record nor were stated.

3.4.20 Further, though the records of districts test checked showed that the medicines received by them were properly utilised and administered to the patients as per prescribed norms, it could not be ascertained in audit as to how the MLTUs could perform their duties by serving MDT drugs to the patients at the fixed points and at a fixed interval of time without vehicles, deployment of which was not on record. Log books of the vehicles (light and medium) and movement register of MLTUs were also not available. The possibility of misutilisation of the leprosy vehicles could also not be ruled out as evidenced from an allegation made (undated) in a letter sent to SLO by a youth forum of Tuensang that the leprosy Bus was being utilised for commercial purpose and medicines were not made available to the patients in the remote places. Further more, the DLS Mon was not provided with any vehicle (light and medium) since inception of the society. Therefore, performance data of DLS, Mon also appeared to be unrealistic.

Modified Leprosy Elimination Campaign

3.4.21 To detect left out hidden cases, the GOI launched two rounds of Modified Leprosy Elimination Campaign (MLEC). Under this, leprosy societies in Nagaland received Rs.68.55 lakh in 1997-98 (Rs.55.46 lakh) and 1999-2000 (Rs.13.09 lakh).

3.4.22 According to records maintained by the societies two rounds of campaign were conducted in the respective years as per the programme guidelines. As per case detection, clinical and other records maintained, it was seen that during MLEC-I, 379 cases were identified/detected of which only 55 cases (15 *per cent*) were confirmed and brought under treatment. This indicated a poor performance of the implementing machinery. The ZLOs could not furnish any convincing reasons for such wide variation between the identified and confirmed cases except stating that it was attributed to inaccessibility of the positioned staff to the remote hilly terrains. The plea put forward did not appear to be convincing since, it had no bearing on the confirmation of identified cases. The main reason that could be attributed to the wide gap would be lack of expertise of the involved functionary in case detection or inflating the number of detected cases. The ZLOs claim of having imparted requisite training to MOS, paramedical and non-medical staff (NMS) twice in a year to instill requisite expertise in them, was not corroborated by detailed records of training imparted by all the 32 SET of the State.

3.4.23 Further, during MLEC phase _ II, the Department had not recorded any additional case detection except under normal operation.

3.4.24 Thus, from the normal trend of annual case detection, confirmation, and treatment, it did not appear that MLEC-I and II had any special impact in the State in so far as identification and confirmation of leprosy cases though additional funds of Rs.68.55 lakh provided by GOI had been spent.

3.4.25 Moreover, the state's claim of having achieved the desired target of leprosy elimination in the State was not corroborated by supporting data and records showing village wise annual survey and clinical registers, deployment and mobility of the vehicles and manpower and detailed activities of the SETS.

Other points of interest

3.4.26 Between 1996-97 and 2000-01 DHS procured Hospital linen, Nursing sundries (for 2 THW), office equipment (including computers) etc. worth Rs.37.02 lakh. The stock register of the SLO/DHS showed that of the total purchase, materials worth Rs.10.09 lakh only were received by the societies leaving balance materials worth Rs.26.93 lakh with the DHS/SLO records of the DLS showed that they had not received any materials.

3.4.27 Thus, actual procurement and distribution of materials were not established indicating that the entire amount of Rs.37.02 lakh (out of central assistance of Rs.39 lakh received during these year was misappropriated.

Monitoring and evaluation

3.4.28 Since the setting of societies in the State, the programme was well monitored by the SLO/DLS and all prescribed reports/returns, accounts submitted to GOI as per schedule.

3.4.29 Though the programme was evaluated by the Department through conducting survey in the year 2000, there was no evaluation carried out by an independent authority viz Director of Evaluation to confirm the achievements recorded by the societies and the Department.

3.4.30 The above points were reported to the Government and the Department in November 2001; their replies have not been received (January 2002)

HOME (POLICE) DEPARTMENT

3.5. Modernisation of State Police Forces

Highlights

The scheme "Modernisation of State Police Force was launched by Government of Nagaland in 1969-70. A review of the scheme by Audit revealed that the objective of the programme was not fulfilled due to lack of proper planning. Lack of proper monitoring the programme, resulted in irregular issue of arms, and ammunition and diversion of funds. Shortage of trained personnel inadequate availability of arms and inadequate communication system adversely affected implementation of the programme.

Matching contribution of State share have not been released by the State Government in any of the years during 1996-97 to 2000-01.

(Paragraph 3.5.6)

The Department furnished utilisation certificate of Rs.2.70 crore for the year 2000-2001, though Rs.1.39 crore remained unspent as of May 2001.

(Paragraph 3.5.7)

Against the allocation of Rs.78 lakh, the Department procured 107 vehicles at a total cost of Rs.3.47 crore during 1996-2000. Though the Department possessed 245 Maruti Gypsy during 1996-2000, 6 Police stations were not provided with any vehicle.

(Paragraphs 3.5.12 & 3.5.13)

Arms and ammunitions worth Rs.75.71 lakh were irregularly issued to Special Nagaland Armed Police Battalion, Delhi and 9th Armed Battalion, Chumukedima.

(Paragraph 3.5.18)

5 check posts and 13 out posts were not provided with any wireless sets even after a lapse of 30 years since inception of the scheme.

(Paragraphs 3.5.27)

There was short accounting of 40 Bullet proof Mobile Morcha and 500 rounds of ammunition of .22 Rifle during 1997-98.

(Paragraph 3.5.28)

One HPLC machine (Rs.18 lakh) and one Air conditioner (Rs.0.40 lakh) purchased in 1999-2000 remained idle for want of renovation of FSL building.

(Paragraph 3.5.35)

Introduction

3.5.1 To supplement the efforts of the State Government the scheme of “Modernisation of State Police Forces” was introduced by the Government of India (GOI) in consultation with State Governments during 1969-70 with a view to improving the efficiency and effectiveness of the State Police Organisation. Under the scheme, the G.O.I provides Central assistance (Loan/grant) in the ratio of 50:50 to the State Government on non-recurring nature on specified items. The scheme was initially included in the plan sector and was under implementation for 10 years upto the end of 1978-79. It was subsequently revised and extended upto 2010 in 3 spells of 10 years each and brought under non-plan sector. In Nagaland, the scheme was operational since 1972-73.

Organisational set up

3.5.2 The implementation of the scheme in the State was vested with the Director General of Police (DGP). He was assisted by the Deputy Inspector General of Police (Modernisation).

Audit Coverage

3.5.3 The scheme was earlier reviewed in audit and included in the Report of the Comptroller and Auditor General of India, Government of Nagaland for the year ending 31 March 1987.

3.5.4 The present audit review was conducted by test check of the records of Director General of Police (DGP), Dy. Inspector General (Wireless), Inspector General of Police (Intelligence), Kohima, Nagaland Armed Police Training Centre, Chumukidema, 2 Superintendent of Police¹ and Commandants of 2 Battalions² by covering 78 per cent of total expenditure for the period from 1996-97 to 2000-2001 during April- June, 2001

Financial Management

3.5.5 Central assistance released by GOI during 1996-97 to 2000-2001 and expenditure incurred there against as booked in the accounts of the State are shown below:-

Year	Opening balance	Fund Released		Total release (3+4)	Total available fund (2+5)	Expenditure	Closing balance
		Central	State share				
1	2	3	4	5	6	7	8
1996-97	78.00	220.03	Nil	220.03	298.03	196.16	101.87
1997-98	101.87	238.43	Nil	238.43	340.30	340.23	0.07
1998-99	0.07	238.43	Nil	238.43	238.50	238.43	0.07
1999-2000	0.07	160.37	Nil	160.37	160.44	64.05	96.39
2000-2001	96.39	284.00	Nil	284.00	380.39	380.32	0.07
Total:		1141.26	Nil	1141.26	1417.66	1219.19	

Source: Departmental figures of expenditure.

¹ Kohima, Dimapur.

² Chumukedima, Tizit.

3.5.6 The scheme was to be implemented at the ratio 50:50, between the Central and State Government. It appears from the above table that no matching share was released by the State Government in any year. The reason for non-release of State share was not stated.

3.5.7 Records of the DGP, Kohima indicated that Rs.2.70 crore was drawn (8 March 2001) through AC Bill and kept in CD Account of the Bank maintained by the Department. Of this, Rs.1.31 crore was spent during March 2001 in payment of Supplier's bills and the balance of Rs.1.39 crore still remained unspent as of May 2001.

3.5.8 However, it was noticed from the utilisation certificate, furnished by the Department that the whole amount of Rs.2.70 crore was shown as utilised during 2000-2001. Thus, expenditure for the year 2000-2001 was inflated by Rs.1.39 crore.

3.5.9 Under the scheme of Central Assistance for Modernisation of the Police Forces, the GOI, MHA has disallowed purchase of Bomb disposal (BD) equipments (to be met out of State resources), Police training equipments for Police Force (to be met out of fund provided by Tenth Finance Commission). But the DGP purchased materials worth Rs.48.45 lakh for BD equipment (20.22 lakh) and training materials (28.23 lakh) items in deviation to the norms and directives of the GOI, MHA. Further, specific instruction was also given while sanctioning special assistance (in cash) for purchase of Arms and Ammunitions during 1998-99 in which the Forensic Science Laboratory equipments were not listed. However, the Department defying the above instructions has purchased Forensic Science Laboratory equipments worth Rs.2.57 lakh out of the Central assistance. Thus, the entire expenditure of Rs.51.03 lakh was irregular.

Irregular release of Central assistance

3.5.10 According to the instructions issued by the Government of India (October 1980) the State Government was to make a distinct provision in the State budget for the scheme and also to devise, in consultation with the State Accountant General, a suitable form in which particulars of expenditure on the scheme were to be maintained 'Proforma' outside the regular accounts and made available to audit for examination and certification. Though, the expenditure under the scheme was booked under the distinct sub-head "115 Modernisation of Police Force" subordinate to Major Head 2055-Police but the 'Proforma' accounts were not prepared. Central assistance was being released by the Government of India on the basis of un-audited/uncertified statement of expenditure.

Vehicles

Requirement of vehicles

3.5.11 For improvement of mobility of police force the scheme envisaged provision of a jeep to each Police Station.

3.5.12 The perspective plan (1996-2000) provided Rs.78 lakh (in cash) for purchase of vehicles. Against this 107 vehicles (of various type *viz.* Gypsy, Ambassador car, Ambulance, Motor cycle, Truck, Cargo) were purchased at a total cost of Rs.3.47 crore. The reasons for excess expenditure were not on record. Besides, GOI supplied in kind 269 vehicles (Gypsy-196, Tata Truck-71 and Cargo-2) at a total cost of Rs.8.85 crore for improving mobility of Police Force.

3.5.13 Out of 47 Police Stations in Nagaland, 6 Police Stations were not provided with a vehicle although the Department acquired 245 Gypsy during the period from 1996-2000 under the scheme. The reason for not providing any vehicle to 6 Police Station's was not on record.

Unauthorised/Irregular supply of vehicles

3.5.14 The Department procured 376 vehicles of various type for increasing the mobility of Police Force during 1996-97 to 1999-2000. Test check of the records of the PHQ revealed that out of 376 vehicles, 22 vehicles (cost Rs.82.42 lakh) were issued to Special Nagaland Armed Police (SNAP) located at Delhi (Gypsy-2, Tata Truck-4, M/cycle-1, Car-2, Ambulance-1) and to 9th NAP (*viz.* Indian Reserve Battalion -IRB) located at Chumukedima (Tata Truck-8, Cargo-1, Gypsy-2, Ambulance-1), not covered under the purview of the scheme*. Thus, issue of vehicles to Special NAP and 9th NAP(IRB) was unauthorised and irregular.

Arms and Ammunition

Short achievement of targets

3.5.15 The Department, in their 4 years perspective plan for 1996-97 to 1999-2000 had targeted to phase out 75 *per cent* and 25 *per cent* of existing 303 Rifles by SLRs (Self Loading Rifles) and AK-47 Rifles respectively, 100 *per cent* of .38 revolvers by 9 mm Pistol and 25 *per cent* of 303 LMGs by 7.62 mm LMG by the years 1999-2000.

3.5.16 Records of arms showed that the Department was holding total 7716 nos. of 303 Rifles, 272 nos. of .38 revolvers and 334 nos. of 303 LMGs as of March 2000. As per the objectives laid down in the perspective plan above, 5787 (75 *per cent* of 7716) nos. and 1929 (25 *per cent* of 7716) nos. of 303 Rifles, 84 (25 *per cent* of 334) nos. of 303 LMGs. were to be replaced. But the Department could procure only 1100 nos of SLRs and 5 nos of 7.62 mm LMGs (31 March 2000) showing a shortfall of 81 *per cent* and 94 *per cent* respectively in achievement of targets. However 390 nos. of 9mm pistols were

-
- Special NAP, New Delhi-located at Delhi and under the control of Delhi Police.
 - 9th NAP(IRB)-the unit is funded with separate Central assistance.

procured to replace 272 nos. of .38 revolvers. During this period not a single AK-47 rifle was procured.

Inadequate availability arms and ammunition

3.5.17 Three field units³, in their monthly reports submitted to Police Head Quarters (PHQ) from 1996-97 onwards showed inadequate availability of arms and ammunition (ammn). The supply of arms and ammunition to these units was not adequate in view of the authorisation for each field unit (*Appendix-XXII*). The PHQ was receiving reports on shortage of arms and ammunition regularly from the field units. But, neither any steps were taken by the PHQ/Department to make good the shortages, nor any reason stated for this.

Irregular issue of Arms and Ammunition worth Rs.75.71 lakh

3.5.18 The records of Police Central Store, Chumukedima showed that during 1999-2000 to 2000-2001 large quantity of arms and ammunition worth Rs.75.71 lakh had been issued to Special Nagaland Armed Police Battalion, Delhi and 9th Nagaland Armed Police Battalion (Indian Reserve Battalion), Chumukedima, though both the Battalions did not fall under the purview of the scheme 'Modernisation of State Police Force'. The details of the arms and ammunition issued to them are shown in table – 3.11 below.

Table-3.11

Battalions	Type of arms and ammunition	Quantity	Rate	Value	Remark
			(Rupees in lakh)		
Special NAP Battalion Delhi	7.62mm SLR	150 nos	21933 per unit	32,89,950	1999-2000
9 th NAP Battalion (IRB), Chumukedima	9mm Pistol	59 nos	21469 per unit	12,66,671	1999-2000
	9mm Carbine	36 nos	16079 per unit	5,78,844	1999-2000
	7.62mm Ammn. (CTN:-container)	15,000 Rounds	18.27 per round	2,74,050	1999-2000
	9mm Carbine	124 nos	16079 per unit	19,93,796	2000-2001
	7.62mm. Ammn. (BDR:-Bundler)	9200 Rounds	18.27 per round	1,68,084	2000-2001
Total				75,71,395	

Source: Information obtained from the Department.

3.5.19 This irregular issue of arms and ammunition to the field units out side the purview of the scheme led to inadequate supply of arms/ammunition to the entitled units indicated in paragraph 3.5.17.

Non-provision of arms and ammunition to Police Stations

3.5.20 Records of two District Executive Force (DEF) units⁴ showed that Khuzama Police Station under Kohima District had not been provided with arms and ammunition and the sub-urban (SBN) Police Stations and the Government Railway Police Station under Dimapur District had also not been armed with any Rifles/Pistols for last five years (1996-97 – 2000-2001). No reason for this was stated by the Department.

³ Superintendent of Police, Kohima, Commandant, 1st NAPB and 6th NAPB.

⁴ Superintendent of Police, Kohima and Superintendent of Police, Dimapur

3.5.21 It was further seen that out of 18 field units (District Executive Force and Battalions) 15 field units were not considered for providing AK-47 Rifles since 1996-97 excepting the AK-47 racks. The Departmental Central Store showed only 15 Nos. of AK-47 Rifles in stock as on 31 March 2001 and the Department had not planned to purchase AK-47 Rifles during the last five years (1996-97 to 2000-2001). This had affected not only the combative power of the police force but also its morale to contain ongoing insurgency in the State.

Loss of arms and ammunition worth Rs.3.09 lakh

3.5.22 Records of four field units⁵ revealed that during 1996-97 to 2000-2001 the Department had suffered loss of arms and ammunition worth Rs.3.09 lakh. The loss was attributed inter-alia to laying of the ambush/snatching by unidentified miscreants, desertion by Police personnels with arms and ammunition and weapons lost by Police personnels themselves. In all the 34 cases, FIRs. were shown to have been registered but not a single case has been resolved as of June 2001 (Appendix-XXII).

Non-accounting of arms and ammunition

3.5.23 Test check of records showed that the Superintendent of Police (SP), Kohima had received 40 Nos. of Bullet Proof Mobile Morcha and 500 rounds ammunition of .22 Rifles from Police Central Store, Chumukedima on 12 May 1997 and February 1998 respectively, but the same were not accounted for in the Stock Register by the SP.

3.5.24 Further, 68 rounds of AK-47 ammunition with one Rifle had been received by the SP Dimapur on 14 June 1994 from the Police Central Store (PCS). Against this only 65 rounds of the ammunition with one Rifle were received back from the SP on 2 July 1997. The remaining 3 rounds of the ammunition thus remained unaccounted for in the record of the SP.

3.5.25 Reason for not accounting the arms/ammunition in both the cases above was not on record. No action had been taken to ascertain the whereabouts thereof or to fix responsibility for the lapse as of September 2001.

Communication System

Inadequate Communication System

3.5.26 While extending the modernisation scheme in 1980-81, GOI attached top priority to the strengthening of communication system.

3.5.27 Test check of the records of 18 Police Station (38 *per cent*) out of 47, revealed that 5 check posts (out of 16) and 13 out posts (out of 36) were not provided with wireless sets even after a lapse of 20 years since introduction of the scheme, due to lack of security. It was also noticed that though police stations and control rooms in the State were equipped with very high frequency (VHF) and high frequency (HF) sets, platoons in Armed Battalions

⁵ Superintendent of Police, Kohima, Commandants, 1st & 6th NAPB and IGP(INT), kohima.

were not provided with any VHF or HF sets reportedly due to non availability of equipment.

Short receipt of Wireless equipments

3.5.28 Test check revealed that against the supply order for 150 nos of “motorala VHF handheld set GP-300, the firm supplied only 137 nos of set and the balance 13 sets valuing Rs.1.81 lakh remained undelivered as of June 2001. Steps were not taken to receive the undelivered quantity of VHF handheld sets (13 nos) from the firm till the date of audit (January 2002).

3.5.29 Further, the Deputy Inspector General of Police (Wireless) procured (in kind) 64 nos of “30 metres of Co-axial Cable” for GM-300 valuing Rs.1.12 lakh from M/s Motorala India Ltd. Bangalore on 13 February 2001 and recorded a certificate on the body of the bill that materials were received in full and in good condition. Scrutiny of the records revealed that the materials had not been accounted for in the stock ledger. The Department could not substantiate the receipt of the materials valuing Rs.1.12 lakh. The Department neither investigated the matter nor took any action against the official who had recorded false certificate.

Shortage of trained personnels

3.5.30 According to norms fixed by the Technical Standard Committee (GOI) in the year 1984, the total manpower required for the wireless system was 4042 against which only 1019 men were in position (June 2001). A Board constituted by the State Government headed by IG(HQs), recommended to create 1002 posts for 5 (five) perspective years from 1998-99 onwards. But till date no reorganisation of police wireless setup has been done in Nagaland. This has severely affected the efficiency and effectiveness of communication system. The Department attributed (June 2001) the inadequate level of communication system due to shortage of technically trained manpower.

Strengthening of State Forensic Science Laboratory (FSL)

3.5.31 The State FSL with Finger print/photography and Narcotic division was established at Industrial Village Dimapur in February 1982. The Department decided (March 2000) to create minimum of 4 (four) new Divisions viz. Question Document, Ballistic, Chemistry and Biology divisions to make the State FSL self contained and to effectively contribute to justice delivery system without its dependence on other State FSLs.

3.5.32 In the absence of those divisions, the State Police was sending the exhibits to outside States for submission of expert opinion, for which the Department had to incur additional expenditure (not workable) towards the same. Till date of audit (June 2001) no division could be established.

3.5.33 From the year 1996-97 to 1999-2000 equipments and chemicals valuing Rs.41.90 lakh were purchased for FSL against the provision of Rs.99.43 lakh *i.e.* only 42 *per cent* was utilised. Reason for shortfall were not on record. Test check of records revealed the following deficiencies in its working and deviation from the scheme of modernisation.

3.5.34 It was provided by the GOI that the Central assistance should be utilised for purchase of equipments only. It was, however, seen that chemicals valuing Rs.5.53 lakh were purchased out of Central assistance instead of from the State funds. Chemical worth Rs.3.09 lakh out of Rs.5.53 lakh were not taken into stock ledger of FSL and thus remained unaccounted for.

3.5.35 One High Pressure Liquid Chromotography (HPLC) machine purchased in August 1999 (Rs.18 lakh), one Furnace (crusible) (Rs.0.17 lakh) and one Air Conditioning machine (Rs.0.40 lakh) purchased in January, 2000 are lying idle for want of modification/renovation work and change of electric wiring in one existing room of the State FSL building.

Overlapping of expenditure under two different schemes

3.5.36 During audit of the accounts of the Director General of Police, Nagaland, Kohima for the period from April 1997 to July 2000 it was noticed that the Director General of Police(PHQ) had incurred expenditure of Rs.16.82 lakh (payment made for Rs.15.76 lakh and committed liability of Rs.1.06 lakh) as of July 1997 out of the unspent amount of the Tenth Finance Commission allocations for installation of automatic traffic signal at Dimapur.

3.5.37 However, utilisation certificate for the year 2000-2001 forwarded to the GOI, MHA., showed that for the same work the Department had spent Rs.16.85 lakh under the scheme of “Modernisation of Police Force”.

3.5.38 Thus, there was an overlapping of claims for same item of work from two sources (Tenth Finance Commission and Modernisation grants).

Irregular purchase of inadmissible items from the Central assistance

3.5.39 It was provided by the Government of India, that the Central assistance under the schemes should be utilised for purchase of admissible item only. It was noticed that an amount of Rs.47.98 lakh being the cost of inadmissible items was booked under the scheme although such an expenditure should have been met by the Department from the resources of State Government and not from Central assistance.

Monitoring and evaluation

3.5.40 According to the scheme, the State Government was required to furnish to the Government of India (GOI) quarterly progress reports of physical and financial progress. It was however, seen that the scheme was never monitored by the Department. The Department had also not evolved any mechanism to monitor from time to time the progress made at the field level under different components of the scheme for onward submission to the GOI.

3.5.41 The benefit derived out of massive expenditure were also not evaluated by the authority of the State Government ever since its implementation.

Non-adherence to PAC recommendation (1996)

3.5.42 The Public Accounts Committee (PAC) had recorded its displeasure for not acting with due sense of urgency in consonance with the guidelines and adherence to financial norms in implementing the scheme while discussing the irregularities pointed out earlier in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 1987. The PAC had recommended that the department should be more effective while implementing such schemes in the interest of State and strictly adhere to financial norms in implementing them. However, the Department failed to act as per above recommendations of the PAC.

3.5.43 This led to uncontrolled financial expenditure and breach of constitutional provision.

3.5.44 The matter was reported to Government in July 2001; their replies had not been received (January 2002).

YOUTH RESOURCES AND SPORTS DEPARTMENT

3.6. Functioning of Youth Resources and Sports Department

Highlights

The Youth Resources and Sports Department was created in August 1993 to promote and activate sports activities, overall development of youth in the state and foster latent talents. But the Department failed miserably to achieve its objectives because of its faulty programme. Substantial funds were spent in creation of facilities for spectators relegating the priorities of sports persons. As a result, the facilities created remained unutilised/under-utilised for the best part of the years. Taking up construction of new works instead of completing the earlier ones and staggering them year after year had resulted not only in unproductive locking up of funds but also denied the sports persons of having the benefits and thus negated the main objectives of the Department. The purchase process was marred by Minister's interference resulting in purchase of unnecessary and substandard materials. The Department's failure to utilise existing facilities also adversely affected the performance of the Department.

All the activities of the Department predominantly centered around Kohima and as a result the Youth Resources and Sports activities in the other 7 districts of the State remained grossly neglected. This resulted in unproductive expenditure of Rs.535.21 lakh incurred towards salaries and office expenses of the all the DSOs and YROs.

(Paragraph 3.6.11 (ii) & 3.6.12)

The purchases of Sports goods valued at Rs.2.15 crore were being made in an uncontrolled manner without call of tenders, assessing the actual requirement, ensuring the cost effectiveness and quality control. The 5 District Sports Officers (Dimapur, Kohima, Mon, Phek and Tuensang) had reported that materials received by them from the suppliers during past 5 years ended 31 March 2001 were of inferior quality and sub-standard.

(Paragraph 3.6.13)

The Department launched 'Scheme for Self-Employment' for the educated unemployed youths in June 1993 on cost sharing basis (i.e. 50 percent as interest free loan by the Department and the balance 50 percent by Banks loans) to the beneficiaries. But due to the Department's failure

to associate the Banks in providing assistance, payment of Rs.182.20 lakh to the 494 beneficiaries towards 50 *per cent* project cost proved infructuous.

(Paragraph 3.6.14)

Youth Hostel constructed (March 1987) at Dimapur at a total cost of Rs.64.78 lakh remained vacant for 11 years resulting in unproductive locking up of funds.

(Paragraph 3.6.15)

The desolation of 42 schemes on half way which were undertaken by various clubs/NGOS out of funds provided by NEC, resulted in an infructuous expenditure of Rs. 56.60 lakh.

(Paragraph 3.6.18 & 3.6.19)

The construction of a Sports Complex at Dimapur was abandoned (April 1994) by the Department due to shortage of funds after incurring an expenditure of Rs.207.06 lakh.

(Paragraph 3.6.22)

Failure of the Department to hand over a Glider Hanger constructed in November 1993 at a cost of Rs.91.28 lakh to the NCC (AIR Squadron) Dimapur had resulted in locking up of fund for more than 7 years and denial of benefits to 300 NCC Cadets.

(Paragraph 3.6.26 & 3.6.28)

Five Indoor Stadia constructed at a cost of Rs.387.87 lakh remained grossly under-utilised as no tournament was held in 4 out of 5 Stadia reportedly due to non-availability of fund during past 5 years ended 31 March 2001.

(Paragraph 3.6.29 & 3.6.30)

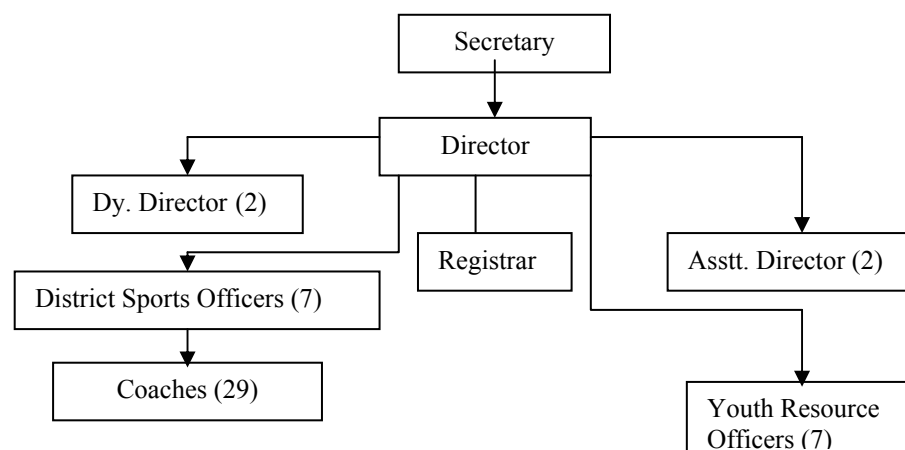
Introduction

3.6.1 The Government of Nagaland created the Youth Resources and Sports Department in August 1993 by separating Sports and Youth Welfare Wings from the erstwhile Department of Physical Education, Sports and Youth Welfare etc., with the main objectives of providing a rational and concentrated approach to the overall development of youths in the State. While the Department had been organising various Coaching Camps and Tournaments in different sports disciplines to improve the standard of games and sports, the youth resources development was sought to be achieved through setting up of youth centres, implementation of self employment programme for educated unemployed youths, conducting tutorial classes and organising youth exchange programmes, imparting training to students through NCC, Scouts and Guides, National Service Scheme etc.

Organisational set up

3.6.2. The Department is headed by a Director, who is assisted by 2 Deputy Directors, 2 Assistant Directors and a Registrar at the State level. At the district level there are 7 District Sports Officers (DSOs) and 7 District Youth

Resources Officers (DYROs) for administering different activities of the Department as shown by organisation of flowchart.



Audit Coverage

3.6.3. The activities of the Department for the years 1996-97 to 2000-2001 were reviewed in audit by examination of records of the Directorate at Kohima, 5 DSOs^(FNI) and 5 YROs^(FNI) during April 2001 covering 89 per cent of the expenditure. The important points noticed during audit have been discussed in succeeding paragraphs.

Budget provision and expenditure

3.6.4. The following are the Budget provisions and expenditure of the Department during the years 1996-97 to 2000-2001 as booked in the Accounts of the Government.

Table No.3.12

Year	Budget Provision	Expenditure incurred.	Percentage of utilisation	Variation Saving (-) Excess (+)	Percentage of Excess/Savings.
	(Rupees in laks)				
1996-97	836.67	677.16	81	(-)159.51	19
1997-98	950.76	446.14	47	(-)504.62	53
1998-99	787.29	583.74	74	(-)203.55	26
1999-2000	671.84	620.98	92	(-)50.86	8
2000-2001	654.62	611.07	93	(-)43.55	7
	3901.18	2939.09	75	(-)962.09	25

Source: Appropriation Accounts

3.6.5 It was seen in audit that the Department could utilise only 75 per cent of the total provision made during 1996-97 to 2000-2001. The DYRS stated (May 2001) that savings were due to curtailment of funds by the Government at the end of each year.

3.6.6 The Financial Rules require that Government expenditure should be evenly spread out through the year to avoid rush of expenditure, infructuous, nugatory or ill-planned expenditure. Notwithstanding this, expenditure, in March alone, was found to be 22 to 49 per cent of the total as detailed below:-

^(FNI) Dimapur, Kohima, Mon, Phek and Tuensang..

Table No.3.13

Year	Total Expenditure			Expenditure during the last quarter (Rupees In lakh)			Expenditure in March alone			Percentage of expenditure in March to the total expenditure		
	Non-plan	Plan	Total	Non-plan	Plan	Total	Non-plan	Plan	Total	Non-plan	Plan	Total
1996-97	245.11	432.05	677.16	190.90	289.90	480.80	101.00	230.80	331.80	15	34	49
1997-98	246.39	199.75	446.14	83.09	132.57	215.66	37.01	74.53	111.54	8	17	25
1998-99	237.77	345.97	583.74	124.10	266.07	390.17	97.09	136.41	233.50	17	23	40
1999-2000	264.19	356.79	620.98	109.11	139.39	248.50	80.17	56.40	136.57	13	9	22
2000-2001	250.01	361.06	611.07	210.09	180.02	390.11	110.37	140.17	250.54	18	23	41
	1243.47	1695.62	2939.09	717.29	1007.95	1725.24	425.64	638.31	1063.95	14	22	36

Source: Appropriation Accounts/Departmental records.

3.6.7 Reasons for short utilisation of funds have not been furnished by the Department.

Target and achievement

3.6.8 The Department had no norms for fixation of targets to conduct different sports activities and tournaments. No survey was conducted to assess the problems and requirement of youth population in the state.

3.6.9 The targets fixed and achievements made as per records maintained by the Department during the years 1996-97 to 2000-2001 are given below:-

Table No.3.14

Particulars	1996-1997		1997-1998		1998-1999		1999-2000		2000-2001	
	Targets	Achievements	Targets	Achievements	Targets	Achievements	Targets	Achievements	Targets	Achievements
Youth Resources										
1. Conduct of Youth Festival	1	1	1	-	1	1	1	-	1	1
2. Conduct of Youth Cultural Programme	7	-	7	-	7	-	7	-	7	-
3. Holding of Tutorial Classes	7	-	7	7	7	-	9	-	8	-
4. Financial assistance to club/NGOs (Amount in lakh of Rupees)	2.99 (20)	(4)	4.31 (20)	(4)	2.21 (20)	(4)	9.91 (100)	(50)	10.00 (100)	(64)
	35	5(14)	35	11(31)	35	5(14)	116	50(43)	116	65(56)
Sports activities										
1. District Level Tournaments	8	-	8	-	8	-	8	-	8	8
2. Sponsoring teams to National level sports meets	20	16	20	14	1	1	3	3	4	4
3. Regular coaching camps at Dimapur	2	2	2	2	2	2	2	2	2	2
	30	18(60)	30	16(53)	11	3(27)	13	5(38)	14	14(100)

NOTE:-Figures in the bracket indicate percentage of achievement.

3.6.10 Though the Department has given financial assistance of Rs.29.42 lakh to the various clubs/NGO's during the year 1996-97 to 2000-01, the details of activities conducted by the Clubs/Youths were not monitored. Hence the roll played by the NGO's in development of the youths could not be ascertained in audit. Though other activities of the department also almost came to a halt as the department could not organise a single youth cultural programme against target of 7 each. Except in one year (1997-98), not tutorial classes were held against a target of 7 each year.

Performance of District Youth Resources Officer (YROs)

3.6.11 District Youth Resources Offices were required to:

- Compile Youth Directory to motivate youths to take up jobs outside the state, disseminate information on job opportunities;
- Activate youths by involving them in village development activities and improve their skills in development works;
- Impart tuition to about 8000 students every year to improve their educational standards;
- Conduct excursions, cultural exchanges etc. to broaden their outlook.

(i) Accordingly, 7 District Youth Resources Offices¹ were set up by the Department in August 1993. The activities of these 7 YROs during past 5 years ended 31 March 2001 as furnished by the department are given below:-

Table No.3.15

<i>Particulars</i>	<i>Targets fixed</i>	<i>Achievement</i>	<i>Percentage of achievement</i>	<i>Expenditure (Rupees. in lakh)</i>
i)Conduct of youth festival	5	3	60	25.26
ii)Youth Cultural Programme	35	Nil	Nil	Nil
iii) Tutorial classes	37	7	19	4.41
iv)Financial assistance to clubs/NGOS	260	126	48	29.43
v)Youth Exchange Programme	Nil	Nil	Nil	Nil
vi)Rural Development Programme	Nil	Nil	Nil	Nil
vii)Compilation of youth Directory	Nil	Nil	Nil	Nil
	337	136	40	59.10

(ii) It will be noticed that all the activities of the Department were centred in Kohima District only. As a result, the development of youth resources in other 7 districts of the State remained grossly neglected although Rs.122.31 lakh was spent by the Department towards salaries, wages etc. of these 7 YROs during 1996-97 to 2000-2001.

Performance of District Sports Offices (DSOs)

3.6.12 Records indicated that 8 District Level Tournaments were held only in 2000-2001. No tournaments were held between 1996-97 and 1999-2000 against the target of 8 tournaments for each years as would be seen from the table given in para 3.6.9. As a result the entire establishments of 7 DSOs almost remained idle during the years 1996-97 to 2000-2001 resulting in unproductive expenditure of Rs.412.90 lakh paid towards their salaries and other establishment charges. The reasons for not conducting District Level Tournmants and other sports activities during 1996-97 to 1999-2000 were not stated.

Irregular purchase of sports materials

3.6.13 Test check of the records of the Director (YRS) revealed that sports materials costing Rs.2.15 crore were procured during 1996-97 to 2000-2001

¹ For 8 district. DYRO, Kohima is also in-charge for Dimapur district.

from local firms without obtaining any indent of requirement from DSOs and also without call of tenders. As a result the Department failed to take the advantage of competitive rates and to ensure its quality.

(i) Materials so procured were issued to the DSOs for utilisation, who in turn supplied the materials to the NGO's/Clubs. As the DSO's had not monitored the activities of the Clubs/NGO's the actual utilisation of the materials by the NGO's etc., could not be ascertained in audit.

(ii) Records of the test checked 5 DSOs indicated that many complaints about the quality of sports goods were received by the DSOs from the Clubs/NGOs to whom materials were issued. The DSOs confirmed (April-May 2001) that the materials were of inferior quality and substandard.

(iii) Thus, purchase of sports materials without call of any tender resulted in procurement of substandard materials worth Rs.2.15 crore affecting the sports activities in the State adversely.

Infertuous expenditure under Self Employment Programme

3.6.14 The Government introduced Self Employment Scheme in June 1993 to provide financial assistance to the unemployed youths for undertaking income generating projects like Weaving etc., keeping in view of the local conditions in the state. The scheme provided that the cost of the project would be met from 50 *per cent* interest free loan from Government and 50 *per cent* cost was to be financed by banks.

(i) Test check of the records of Director (YRS) showed that the Department incurred an expenditure of Rs.182.20 lakh between 1993-94 to 1996-97 towards payment of 50 *per cent* of the project cost to 494 loanees without associating the banks for release of bank loans. In absence of financing the projects fully the purpose served by the interest free loans extend by the department could not be assessed in audit.

(ii) Further, the Department did not monitor the functioning of the projects for which financial assistant was provided. The Government also did not specify the number of instalments in which loans were to be recovered. As a result no recovery was effected (September 2001). Thus, the objective of the scheme was not achieved despite incurring of an expenditure of Rs.182.20 lakh.

Idle outlay on Youth Hostel

3.6.15 Scrutiny of records showed that to provide simple, inexpensive shelter to young people, coming to Dimapur for participating in various sports activities, the Government of Nagaland constructed a Youth Hostel at Dimapur at a cost of Rs.64.78 lakh and handed over the same to the Department of Sports and Youth Services in March 1987. Since then the building was lying vacant for more than 11 years. These led to interest cost of Rs.112.82 lakh to the Government.

3.6.16 The Director (YRS), Nagaland, Kohima admitted (May 2001) that the Youth Hostel at Dimapur was taken up in March 1987, but could be made

functional only from 1998. However, the Hostel was being furnished (July 2001) with Rs.1.60 lakh provided by the Government of India. This confirmed that the Hostel had remained unused till July 2001.

Development of infrastructure

Infructuous expenditure due to discontinuance of NEC schemes.

3.6.17 To ensure and accelerate balanced regional development of sports activities, the North Eastern Council (NEC) had been providing grants to the Directorate for payment to registered local bodies/organisations for creating sports and adventurous infrastructure. The payment was to be made in 3 instalments subject to conditions like utilisation of earlier instalments, contributing of matching share by the grantees, submission of progress reports etc.

3.6.18 It was noticed in audit that during the years 1996-97 to 2000-2001, the Department paid NEC funds of Rs.56.60 lakh to 42 clubs/NGOs towards first and second instalments against the approved project cost of Rs.91.63 lakh. The balance amount of Rs.35.03 lakh being the 3rd instalment had not been released (June 2001) by the NEC.

3.6.19 In February 2001, the NEC informed the Department that in its 5th steering committee meeting and 43rd council meeting, it was decided to discontinue the scheme, which was also accepted (April 2001) by the Department. The NEC did not assign any reason for such discontinuance. The Department also could not furnish any documentary evidence whether matching share was contributed by the grantees and also towards utilisation of Rs.56.60 lakh paid to 42 clubs/NGOs. Thus, abolition of the scheme half-way made the entire expenditure of Rs.56.60 lakh infructuous.

3.6.20 The Director (YRS) also maintained (May 2001) that non-release of the third and final instalment had certainly impeded the progress of works for which assistance was given to grantees. He, however, failed to clarify the action taken by the grantees and the Department to complete these works early.

Construction of a Sports complex at Dimapur

3.6.21 The State Government started (1975-76) construction of a sports complex at Dimapur with the idea having an outdoor stadium at Dimapur without ensuring availability of sufficient funds to complete the project. Government of India sanctioned (September 1991) Rs.43.75 lakh for the said sports complex and released Rs.40 lakh in 1993-94.

3.6.22 Test check of the records of the Directorate revealed that the work of the construction of the sports complex had remained suspended since April 1994 and the Department incurred expenditure of Rs.207.06 lakh between 1975-76 and 1993-94 on construction of boundary wall, boys and girls hostels, galleries, play fields etc. covering 30 *per cent* of the total work.

3.6.23 The Director stated (May 2001) that due to non provision of funds by the State Government owing to resource crunch, construction of the sports complex at Dimapur had been abandoned. Thus, taking up of the project without ensuring availability of funds, the entire expenditure proved unfruitful.

Construction of Indoor Stadium at Lerie

3.6.24 Pursuant to the proposals submitted by the State Government in September 1998 and July 1999, the Government of India released Rs.70 lakh for construction of Indoor Stadium at Leirie, Kohima by Nagaland Taekwondo Association, Kohima (Rs.30 lakh); Indoor stadium at Pfutsero by Khuzhathede Women Welfare Society, Pfutsero (Rs.20 lakh) and a swimming pool at Dimapur by Expression Voluntary Organisation (Rs.20 lakh) against the estimated cost of Rs.302.47 lakh for all the 3 works. The amount was also paid to the concerned organisations by the Department in April 2000 (Rs.30 lakh), November 2000 (Rs.20 lakh) and April 2001 (Rs.20 lakh).

3.6.25 Although the grants were to be released to the grantee organisations only after the State Government satisfied itself that the grantee had executed the project to the required extent as per schedule submitted with the proposal, the Directorate could not make available any documentary evidence to support that works were actually executed. No accounts of the grants paid or utilisation certificate was also produced to audit and as a result the bonafide of the execution of works and genuineness of the expenditure could not be vouchsafed in audit. Moreover, as per the Government's instructions (April 2000), the grantees were required to execute agreements with the State Government before release of grants stipulating certain conditions to be fulfilled by the grantees. No such agreements were executed by the grantee organisations.

Construction of a Glider Hanger at Dimapur

3.6.26 To impart training to the NCC (Air) Cadets in gliding, the Department constructed a Glider Hanger in November 1993 at Dimapur at a cost of Rs.91.28 lakh but the same was not handed over (April 2001) to NCC authorities at Dimapur reportedly due to non completion of a few finishing items (not specified).

3.6.27 In July 1994, the Commanding Officer (CO) No.1 (Nagaland) Air Sqdrn (Flg) NCC, Dimapur stated that Central Government was willing to allot two Gliders free of cost. The CO also stated that if the gliding facilities were not provided shortly, the very purpose of establishing the unit will be defeated and unit may be closed down. It was noticed that as the Hanger facility was not provided by the State Government during past 4 years, the Indian Air Force had ultimately withdrawn its gliding staff from the unit.

3.6.28 Thus, failure of the Department to hand over the building had resulted in locking up of Rs.91.28 lakh for more than 7 years and denial of benefits of gliding to 300 NCC (Air) Cadets. Besides this resulted in interest cost of Rs.91.94 lakh to the State Government. The Director (YRS) Kohima stated (May 2001) that the Hanger would be handed over to the Air Wing, Dimapur

after receiving necessary training equipment from the Central Government. He, however, could not explain as to why the hanger was not handed over to the Air Squadron, (NCC).

Under utilisation/Non-utilisation of stadia

3.6.29 To promote indoor games in the State, the Department constructed 5 indoor stadia (2 at Kohima, and 1 each at Mokokchung , Mon and Phek) during the years 1985-86 to 2000-2001 at a total cost of Rs.387.87 lakh.

3.6.30 Information furnished by the Department showed that excepting one tournament held at Kohima in November 1999 none of the other stadia (Mokokchung, Mon and Phek) were utilised by the department even once during the years 1996-97 to 2000-2001. Financial constraints were stated by the Director YRS, Kohima (May 2001) to be the main reason for not holding tournaments. The persistent savings in each of the above years, however, do not corroborate the reasons attributed by the Director. There is no documentary evidence also that the stadia were being used only by sports persons to promote their activities. As a result, the investment of Rs.387.87 lakh did not served the intended purpose. Formulation of projects without assessing the needs of sports and sports persons was the main reason for such huge investment remaining idle.

Recommendations

3.6.31 In view of the shortcomings discussed above, the Audit recommends that the Department should:-

- formulate projects focusing on catering to sports activities instead of creating expensive facilities for spectators which remain unutilised for best part of the year;
- initiate a methodical study to assess the requirement of sports infrastructure at block/district headquarters, important towns; and
- evolve a monitoring system to ensure the optimum utilisation of all sports complexes and stadia for better promotion of sports;
- devise an effective system for watching the progress of ongoing projects to avoid further time and cost overrun and wastage of resources on escalation;
- put in place a monitoring mechanism to oversee the activities of agencies and organisations funded by the Department;
- provide adequate budgetary support to complete the project as designed and funded;
- activate and vitalise its administrative and technical set up to dove-tail their endeavour to more and more sports and youth welfare activities.

3.6.32 The matter was reported to Government in June 2001; their replies had not been received (January 2002).

SECTION-B-PARAGRAPHS

ART AND CULTURE DEPARTMENT

3.7 Locking up of funds

Non taking up of the project Shilpagram after incurring of expenditure of Rs.26.14 lakh resulted in unproductive expenditure

3.7.1 During audit (September 2000) of the records (September 1997 to July 2000) of the Director, Art and Culture, Nagaland, Kohima, it was noticed that the Director, had acquired 10.5 acres (43,560 sq.ft) of land at a cost of Rs.26.14 lakh @ Rs.6 per sq.ft. during 1995-96 to establish Shilpagram (Regional Museum) at Dimapur. Though payment of Rs.26.14 lakh was made on 17 September 1995 (Rs.22 lakh) and 30 March 1996 (Rs.4.14 lakh) and the department took possession of the land in April 1996, no action was taken by the department to construct and establish the said Shilpagram, resulting in the entire investment of Rs.26.14 lakh remaining idle and unproductive.

3.7.2 The matter was reported to Government and Department in June 2001. In reply, Government stated (August 2001) that the project could not be taken up due to non release of funds by GOI and non provision of funds in the State budget. The reply is not tenable, since incurring of expenditure of Rs.26.14 lakh without ensuring provision of funds to complete the project resulted in unproductive expenditure.

FINANCE DEPARTMENT

3.8 Fraudulent drawal of pension

Failure on the part of the Treasury officers to exercise statutory checks resulted fraudulent drawal of pension of Rs.152.11 lakh

3.8.1 Mention regarding loss of Rs.202.86 lakh due to fraudulent drawal of pension etc. was made in paragraph 3.5 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1997. The matter regarding fraudulent drawal of pension etc, had been brought to the notice of the Government from time to time in June 1996, August 1997 and January 2000. To check such fraudulent drawal, the Government was requested in January 1998 to direct all the Treasury Officers in the State to collect personally the authorities (Treasury copies) for payment of pension, gratuity, commutation value etc. from the Accountant General office after giving proper acquittance. Again in January 2000, the Accountant General (Audit), Nagaland advised the Government to make a conclusive investigation and take necessary steps to prevent recurrence of such fraudulent drawal.

3.8.2 Despite this, it was noticed in central audit of vouchers for payment of pension, gratuity etc, for the period January 1997 to December 1999 that there

were 245 cases in 5 treasuries¹ (out of 9 treasuries) of the State where Rs.152.11 lakh was drawn fraudulently by using identical computerised forms as are used by the AG's office for authorisation of pensionary benefits, by forging signatures, inserting fictitious names and false authority numbers. Inaction of the Government to take preventive measures despite being informed time and again compounded with the failure of the Treasury to exercise their statutory duties to comply with the prescribed procedure and instructions had facilitated such fraudulent drawal.

3.8.3 In February 2001, the Deputy Inspector General of Police, Vigilance and Anti-corruption, Nagaland informed Audit that the Government had lodged a FIR with the Vigilance Police Station and a Special Investigation Team was constituted to look into the matter. The reports of the Vigilance Commission and the Investigation team have not been received (January 2002).

3.8.4 While admitting the facts, Finance Department stated (September 2001) that a number of disciplinary cases had been instituted. One Sub-Treasury Officer has been removed from service. Other penalties were imposed on 8 Treasury/Sub-Treasury Officers, who were found to have abetted such fraudulent drawals.

FOOD AND CIVIL SUPPLIES DEPARTMENT

3.9 Loss due to unauthorised sale of food grains on credit

Government suffered loss of Rs.48.84 lakh due to unauthorised credit sale of foodgrains and non-deposit of sale proceeds

3.9.1 Test check (October-November 1999) of the records (January 1995 to October 1999) of the Assistant Director of Supply (ADS), Zunheboto revealed that unauthorised credit sales and non-deposit of sale proceeds of food grains by the store keepers, owners of fair price shops, and officials of two centres (Zunheboto headquarter and Aghunato centre) caused a loss of Rs.48.84 lakh.

(i) Store keepers of 15 centres unauthorisedly sold rice/wheat valued at Rs.37.32 lakh on credit during April 1992 to September 1993 as was evident from the statement furnished by ADS, Zunheboto (20 April 1998). Of this Rs.0.40 lakh has been recovered between July 2001 and October 2001 and the balance of Rs.36.92 lakh were yet to be recovered as of January 2002.

(ii) Again, inspite of Director, Food and Civil Supplies instruction (13 January 1998) to deposit sale proceeds of 919.80 quintals of rice (Rs.4.27 lakh) received against Below Poverty Level quota during 1997-98, before 20 January 1998, Zunheboto Headquarter Centre and Aghunato Centre under

¹

Mokokchung	164 Cases	Rs.100.42lakh
Phek	8 Cases	Rs.3.90 lakh
Tuensang	12 Cases	Rs.12.40 lakh
Wokha	37 Cases	Rs.21.54 lakh
Zunheboto	24 cases	Rs.13.85 lakh
	245 cases	Rs.152.11 lakh

ADS, Zunheboto failed to comply with this order as of October 2001. Moreover, no challans in proof of deposit of Rs.1.34 lakh into the treasury (February 1995 to January 1996) by the Aghunato Centre towards sales proceeds of 220 quintals of rice were produced to Audit.

Under these circumstances, possibility of misappropriation of the amount by the officials of the centre cannot be ruled out.

(iii) Further, sale proceeds of rice worth Rs.6.31 lakh had not been deposited by 13 licensed fair price shop owners from July 1995 to January 1999, despite serving of notices for payment by the ADS, Zunheboto (10 February 1999).

3.9.2 In reply, the Superintendent, Food and Civil Supply stated (October 2001) that Rs.4.41 lakh had been recovered but no records for realisation and deposit into the Treasury were furnished to audit. Thus, Government suffered loss of Rs.48.84 lakh from Government dues outstanding from 1992 onwards.

3.9.3 The matter was reported to Government in June 2001; the reply had not been received (January 2002).

3.10 Unnecessary purchase of vehicles

Purchase of 17 mini trucks at a cost of Rs.70.42 lakh inspite of having a fleet of 66 trucks, led to locking up of Government funds and involving interest cost of Rs.24.34 lakh to the Government

3.10.1 Mention was made in paragraph 3.1.7(iii) of the Report of the Comptroller and Auditor General of India for the year ended 31 March 1999, Government of Nagaland that with the engagement of stockists for lifting and carriage of food grains under Public Distribution System (PDS), the activities of the Department and consequently the utilisation of departmental trucks were minimised partially since April 1992 and mainly after June 1997. Yet the Department procured 12 trucks during 1998-99 at a cost of Rs.47.06 lakh and increased the fleet strength from 54 to 66 trucks where average utilisation was 28 days in a year.

3.10.2 Test check (May 2001) of records (November 1999 to April 2001) of the Director, Food and Civil Supplies, Dimapur revealed that the Director, had procured in April 2000, 5 more mini trucks at a cost of Rs.23.36 lakh out of financial assistance of Government of India under strengthening of PDS infrastructure, in spite of having a fleet of 66 trucks with poor utilisation, The Department could have easily met the requirement of future transportation with the available fleet of 66 trucks, given poor average utilisation of the trucks.

3.10.3 Thus, it is evident that the trucks were purchased injudiciously and unnecessarily which also led to locking up of Government funds of Rs.70.42 lakh besides, loss of interest of Rs.24.34 lakh (calculated at an average borrowing rate of 11.52 per cent).

3.10.4 The matter was reported to Government and Department in June 2001; their replies had not been received (January 2002).

FOOD AND CIVIL SUPPLIES/HEALTH AND FAMILY WELFARE/HOME (POLICE)/ WORKS AND HOUSING (R&B) AND RURAL DEVELOPMENT DEPARTMENTS

3.11 Doubtful medical claims and unadjusted medical advances

Medical reimbursement of Rs.115.40 lakh was made without supporting documents. Laxity of the 5 Directorates resulted in non-adjustment of medical advance of Rs.91.41 lakh even after a lapse of 3 to 48 months

Doubtful expenditure on Medical reimbursement

3.11.1 As per rule, all claims for reimbursement including those of medical expenses, not supported by regular vouchers cash memos should not be allowed. Audit examination (March and July 2001) showed that Rs.115.40 lakh was paid by the Chief Engineer (Roads & Bridges) Nagaland, Kohima (Rs.54.38 lakh) and Director of Health Services, Nagaland, Kohima (Rs.61.02 lakh) to 165 persons during the period December 1997 to June 2001 for which no supporting documents like cash memos, vouchers etc. were available with the Department. As a result, the veracity of the entire expenditure of Rs.115.40 lakh could not be vouchsafed in audit and was thus doubtful.

Unadjusted medical advances

3.11.2 Advances under Medical Attendance Rules are granted to Government Servants for treatment of themselves or any member of their families. Applications for such advances must accompany necessary certificates from the Medical officers/Specialists indicating duration and anticipated cost of such treatment. Advances paid to the Government Servants are to be adjusted against the claims to be preferred by the Government servant within one month from the date of discharge from the hospital (in case of in patients) or 3 months from the date of drawal of advances or completion of treatment, and balance, if any, be recovered from his pay and allowances in four instalments.

3.11.3 During audit (August 2000, March and July 2001) of the records of 5^(FN-1) offices it was noticed that final bills in adjustment of advances of Rs.91.41 lakh paid to 201 officials² during the period from June 1997 to April 2001 had not been received even after a lapse of 3 to 48 months. As a result, the entire advance of Rs.91.41 lakh stands recoverable. The Department also could not produce any application and the necessary certificate from the

1 & 2

i)	Director General of Police, Nagaland, Kohima	Rs.8.40 lakh to 24 persons (October 1999 to February 2000)
ii)	Chief Engineer(R and B), Nagaland, Kohima	Rs.44.21 lakh to 62 persons (June 1997 to December 2000)
iii)	Director of Health Services, Nagaland, Kohima	Rs.29.65 lakh to 99 persons (April 1998 to March 2001)
iv)	Director, Food & Civil Supplies, Nagaland, Dimapur.	Rs.2.90 lakh to 7 persons (January to October 2000)
v)	Director, Rural Development Department, Nagaland, Kohima.	Rs.6.25 lakh to 9 persons (November 1998 to April 2001)
		Rs.91.41 lakh 201 persons.

medical authorities indicating the duration of treatment and anticipated cost thereof as required to be furnished for payment of medical advance from these employees. Consequently, the genuineness and bonafides of the advances paid remained questionable.

3.11.4 On this being pointed out by audit, the Deputy Inspector General of Police (HQ) stated (October 2000) that orders had been issued to the respective units and also to the officers who had drawn the advance but had not submitted the final bills. He also stated that final report would be intimated on completion of the recovery. No report has, however, been received (January 2002) although 9 months had already been elapsed. Replies from other Departments are also awaited (January 2002).

3.11.5 The matter was reported to Government and Department in July 2001; their replies had not been received (January 2002).

HOME (POLICE) DEPARTMENT

3.12 Non-realisation of cost of Police Guards

Unit Commanders are yet to recover Rs.108.08 lakh towards cost of providing Police gurads against banks/agencies

3.12.1 Due to the adverse security conditions prevailing in the State, all commercial banks in Nagaland have been provided with Police guards. Extant instructions (March 1971) of the Government of Nagaland were also reiterated by the orders (May 1995) of the Director General of Police (DGP) which stipulate that the cost of providing Police guards is to be recovered at the rate of 10 *per cent* (from the currency chest bank branch at Dimapur), and 50 *per cent* (from other bank branches and offices) of the pay and allowances of the guards deployed. The DGP also directed (May 1995) all unit Commanders to ensure that all payments due upto 31 March 1995 be realised within three months from the date of issue of those orders, and credited to Government Account.

3.12.2 Test check (April, August and November 2000) of the records of the Commandant, Nagaland Armed Police Battalion, Chumukedima, and the Superintendents of Police (SP), Phek and Tuensang, revealed that claims of Rs.108.08 lakh³ raised against different banks/agencies for the period from December 1992 to March 2000, had not been settled as of October 2001. No reasons were assigned by the banks/agencies against non settlement of claims.

3.12.3 The matter was reported to Government and Department in May 2001; their replies had not been received (January 2002).

³ More than 2 years	Rs.60.02 lakh.
More than 3 years	Rs. 3.03 lakh.
More than 6 years	Rs.42.89 lakh.
More than 7 years	<u>Rs. 2.14 lakh</u>
	Rs108.08 lakh

HOME (GENERAL ADMINISTRATION) DEPARTMENT

3.13 Infertuous expenditure on idle staff

There was infertuous expenditure of Rs.63.28 lakh towards payment of salary to 6 idle drivers and 8 mechanics

3.13.1 Test check (November 2000) of the records of the Deputy Commissioner (DC), Mokokchung for the period from January 1999 to October 2000 revealed that there were 23 drivers against 13 vehicles maintained by him. The basis of appointment of the drivers and the dates of appointment were, however, not made available to audit. In reply, the Department stated (September 2001) that 19 drivers were engaged/attached to 13 vehicles and 4 drivers were kept as reserve.

3.13.2 The reply is not tenable, since 4 drivers were kept as reserve, appointment of 19 drivers against 13 vehicles was unjustified which resulted in 6 drivers remaining idle all along. In the meantime, the Department incurred infertuous expenditure of Rs.14.18 lakh towards payment of salaries to 6 idle drivers between January 1999 and September 2001 (calculated at an average on minimum time scale of pay).

3.13.3 Further, it was noticed that the erstwhile workshop organisation under Transport Department was wound up and the services of 8 mechanics were transferred to DC, Mokokchung on redeployment since February 1985. As there was no workshop under the DC, Mokokchung, the services of 8 mechanics could not be utilised by the Department. No records showing details of services rendered by them between February 1985 and September 2001 was produced to audit.

3.13.4 In reply, the Department stated (September 2001) that minor repairs and replacement of vehicles were carried out by the mechanics. The reply is not tenable since all the repairs and maintenance of the vehicles were got done through private workshops for which a sizeable expenditure was incurred by the Department. Thus, services of the mechanics, re-deployment of 8 mechanics resulted in an infertuous expenditure of Rs.49.10 lakh towards payment of idle salaries between February 1985 and September 2001.

3.13.5 The matter was reported to Government in June 2001; the reply had not been received (January 2002).

HOME (PRISONS) DEPARTMENT

3.14 Fictitious payment

Payment of Rs.15 lakh was made to the contractor without execution of work

3.14.1 Government of Nagaland, Home Department, (March 1999) sanctioned Rs.15 lakh for construction of security wall at Sub-Jail, Kiphire against an estimated cost of Rs.49.18 lakh with the conditions that (i) the work should be executed under supervision of the Executive Engineer, Civil Administrative Works Department (ii) check measurement by the competent Engineer should be done before payment is made, and (iii) PWD system of accounts be followed.

3.14.2 Test check (April-May 2000) of records (August 1998 to April 2000) of the Inspector General of Prisons, Kohima, Nagaland revealed that, in violation of Government orders, the Inspector General drew (March 1999) the entire amount of Rs.15 lakh (through fully vouched contingent bill) and paid the amount to one Shri Tsipithong, who claimed to be attached with the Minister, Co-operation and Jails, Nagaland, Kohima and who did not have any other identification or proper address, in three phases between July 1999 and March 2000 without inviting any tender and without any agreement made with the contractor for the work. The basis of selection of Shri Tsiphithong was not placed on record nor were documents of award of work available, with the Department.

3.14.3 Since the identity of the payee was non-verifiable and there was no proof of execution of work through Measurement Books, supporting bills etc., the amount of Rs.15 lakh is deemed to have been misappropriated by the Inspector General of Prisons.

3.14.4 The matter was reported to Government and Department in May 2001; their replies had not been received (January 2002).

SCHOOL EDUCATION DEPARTMENT

3.15 Misappropriation of Government funds

Fraudulent drawal of Rs.10 lakh being non refundable GPF advance and suspected misappropriation of Rs.1.54 lakh by reducing cash balance malafidely

3.15.1 During audit (December 2000) of the accounts (August 1997 to November 2000) of the Deputy Inspector of Schools (DIS), Peren, it was noticed that DIS drew (June 1998) Rs.10 lakh being GPF non-refundable advance in respect of 12 employees. Neither any applications of concerned employees for withdrawal from GPF nor any basis for sanction and drawal of the amount were made available to audit. It was also noticed that the amount

drawn was neither taken in the Cash Book nor any records in support of disbursement to the concerned employees could be shown to Audit.

3.15.2 In the absence of documentary evidence of disbursement to the concerned employees, misappropriation could not be ruled out. Audit scrutiny showed that the amount was drawn showing fictitious names and fictitious GPF account numbers. The GPF accounts with reference to ledger cards, broad sheet maintained in Sr. Deputy Accountant General (A&E) office were also verified and no entries were found on record. Failure on the part of the DDO to verify whether the subscribers were actually under his control and born on the roll facilitated fraudulent drawal.

3.15.3 It was noticed that Rs.67,023 which was the closing cash balance as on 15 June 1998 was not carried over as opening cash balance on 16 June 1998. Similarly, Rs.86,486 being the closing cash balance as on 6 June 2000 was not carried forward as the opening balance on 7 June 2000, and this resulted in actual shortage of cash balance for Rs.1,53,509 as on 7 June 2000. Thus, Rs.1.54 lakh was suspected to have been misappropriated.

3.15.4 The matter was reported to Government and Department in June 2001; their replies had not been received (January 2002).

TRANSPORT AND COMMUNICATION DEPARTMENT

3.16 Avoidable expenditure on purchase of tyres, tubes etc.

Due to non-procurement of the materials from the authorised dealer at manufacturer's rate resulted in extra expenditure of Rs.117.61 lakh

3.16.1 At the instance of the Government, the General Manager, Nagaland State Transport, Dimapur procured 1766 tyres (size 900x20 of 14PR Nylon), 2141 tubes (900x20) and 838 flaps of Modi brand during 1998-99 and 1999-2000 from Dimapur based 3⁴ firms at the rates of Rs.11,214, Rs.1197 and Rs.282 of tyres, tubes and flaps respectively.

3.16.2 Test check (August 2000) of the records of the General Manager, Nagaland State Transport, Dimapur for the period from November 1998 to July 2000 revealed that the above rates of 3 firms (not being authorised dealers of any manufacturing company) were approved (August 1998) by the Secretary Transport and Communication without call of any tender and without any basis. The General Manager proposed (July 1998) to the Government to consider the rates of M/s J.K. Industries Ltd., Guwahati (tyres:Rs.5300; tubes:Rs.521; and flaps:Rs.141) on the ground of reasonableness compared to the rates of M/s CEAT Ltd. (Rs.6000, Rs.554 and Rs.171 respectively) obtained in July 1998. But the proposal of the General Manager was not accepted by the Government. However, the materials were

⁴ (1) M/s Angami Agencies Mart, Dimapur (2) M/s T.M. Angami Trade and Agencies, Dimapur (3) M/s Japfu Trade and Agencies, Dimapur.

supplied by the firms between October 1998 and January 2000 and the department procured the materials at a total cost of Rs.244.11⁵ lakh.

3.16.3 From a collateral evidence it was, further, noticed that ex-Dimapur rates of tyres, tubes and flaps of Modi Rubber Ltd., as of January 2000 were actually Rs.5956, Rs.499 and Rs.151 respectively. Had the materials been procured from the authorised dealer of Modi Rubber Ltd, at Dimapur, the actual cost of the materials would have been Rs.126.50⁶ lakh. Thus, due to non-procurement of the materials from the authorised dealer at manufacturer's rate resulted in extra expenditure of Rs.117.61⁷ lakh. The approval of rates by Government on exorbitantly higher side was without any basis.

3.16.4 The matter was reported to Government and Department in June 2001; their replies had not been received (January 2002).

3.17 Extra avoidable expenditure on fabrication of bus bodies

Due to non-acceptance of lowest rates offered by the firms resulted in an extra expenditure of Rs.32.16 lakh

3.17.1 The General Manager (GM), Nagaland State Transport (NST), Dimapur invited quotations (January 1999) for fabrication of bus bodies (4 types) and break down recovery van for 1998-99 and in response 15 tenders were received, of which 3 tenders were rejected on the ground of non-fulfillment of conditions.

5

Name of materials	Govt. approved rate (excluding NST) Rs.	Quantity approved 1998-99 (Nos)	Quantity approved 1999-2000 (Nos)	Total Qty. (Nos)	Total Cost (Rs.)
Tyre	11,214	655	1111	1766	198,03,924
Tube	1,197	655	1486	2141	25,62,777
Flap	282	---	838	838	2,36,316
					226,03,017
				Add.@ 8% NST	18,08,241
					244,11,258
					i.e 244.11 lakh

⁶ Rs.244.11 lakh-Rs.117.61 lakh = Rs.126.50 lakh.

7

Name of materials	Govt. approved rate (excluding NST) (Rs.)	Manufacturer's rate at Dimapur (excluding NST) (Rs.)	Difference (Rs.)	Quantity Approved		Total Quantity (Nos)	Extra expenditure (Rs.)
				1998-99 (Nos)	1999-2000 (Nos)		
Tyre	11,214	5,956	5,258	655	1,111	1,766	92,85,628
Tube	1,197	499	698	655	1,486	2,141	14,94,418
Flap	282	151	131	---	838	838	1,09,778
							1,08,89,824
						Add 8% NST	Rs.8,71,186
							1,17,61,010
							Say Rs.117.61 lakh

3.17.2 The Purchase Board (PB) constituted (May 1999) by the Government instead of recommending the lowest quoted rates recommended 4th lowest⁸ rates of 3 types of buses and 6th lowest⁹ rate of one type and 3rd lowest¹⁰ rate of break down recovery van on the plea that (i) the lowest quoted rates were not realistic due to the fact that the rates offered by the firms were lower than the previous year's approved rates (ii) cost of many essential items for fabrication work had gone up and also lower rates might involve risk of getting inferior quality of the finished products and there appears to be indication of lack of proper conception of the particular type of work required on their part.

3.17.3 Subsequently, when work orders were issued by the General Manager, Nagaland State Transport (NST) (10 June 1999) based on these recommendations, only the rates were accepted without indicating the names of firms to whom work was to be assigned. There was wide variation in selection of firms and some of the firms were not favoured whose offered rates were approved by the PB and accepted by the Government.

3.17.4 Test check (August 2000) of records (November 1998 to July 2000) of the GM, NST, Dimapur revealed that the GM, on receipt (June 1999) of approved rates along with list of approved firms, issued (between June and July 1999) work orders to 5 firms for fabrication of 32 bus bodies of 4 different types and one break down recovery van at the rates approved by the Purchase Board. The list of firms, however, was again revised by the Secretary (Transport and Communication) on telephonic instructions (1 July 1999) of the Minister, Transport and Communication Department and 2 firms not recommended by the PB were approved. The past performance of these firms was not found satisfactory by the General Manager on grounds of poor workmanship and lack of essential facilities required for doing the job properly and the PB had ignored them. There were no reasons on record in support of the Government's decision. In case of one type of luxury coach (26+1 seater), Rs.40,000 extra was offered to another firm which was not recommended by the PB. The reason for allowing the enhanced rate was not on record.

3.17.5 Thus, the Department, due to non-acceptance of lowest rates offered by the firms on the ground of poor workmanship, below the previous year's rate etc., incurred an extra expenditure of Rs.32.16¹¹ lakh.

⁸ Rs.4,40,000 for TATA 1312-TC/52-luxury coach, 35+1 seater; Rs.3,55,000 for TATA 1510/42-luxury coach, 26+1 seater; Rs.2,95,000 for TATA LP/1510/42- improved seat type 34+1 seater.

⁹ Rs.2,35,000 TATA LP/1510/42-district type 42+1 seater.

¹⁰ Rs.8,00,000.

¹¹

Type of bus body	Lowest tendered rate (Rs.)	Approved rate (Rs.)	Difference (Rs.)	No. of buses/ Recovery van	Extra expenditure (Rs.)
TATA-1312-TC/52 luxury coach (35+1 seater)	3,18,000	4,40,000 (4 th lowest)	1,22,000	2	2,44,000
TATA-1510/42 luxury coach (26+1 seater)	2,69,000	3,95,000 (Arbitrarily enhanced from Rs.3,55,000-4 th lowest)	1,26,000	8	10,08,000
TATA-LP-1510/42 improved seats (34+1 seater)	2,19,400	2,95,000 (4 th lowest)	75,600	14	10,58,400
TATA-LP-1510/42 district type seats (42+1 seater)	2,00,000	2,35,000 (6 th lowest)	35,000	8	2,80,000

3.17.6 The matter was reported to Government and Department in June 2001; their replies had not been received (January 2002).

**VETERINARY AND ANIMAL HUSBANDRY
DEPARTMENT**

3.18 Unnecessary expenditure

**Due to arbitrary action of the Minister and the Department,
Government unnecessarily incurred expenditure of Rs.42 lakh in
payment of compension to the suppliers**

3.18.1 Pursuant to a contract agreement (August 1988) with 4 suppliers¹², supply orders were placed (20 January 1989) by the Director (V&AH) for supply of feeds worth Rs.13.60 lakh by 6 March 1989. On 4 March 1989, at the instance of Minister, Veterinary and Animal Husbandry, Nagaland the Department cancelled all the supply orders without assigning any reason and accordingly, when the suppliers came (6 March 1989) with goods, the Departmental Feed Delivery Board refused to take delivery.

3.18.2 The suppliers filed (30 January 1995) Money Suits in the Court of Additional Deputy Commissioner (Judicial), Kohima under Section 80 of the Civil Procedure 1908, claiming compensation of Rs.82 lakh. On 30 October 1996, the Court directed the Department to negotiate with the plaintiff and settle the cases outside the Court. On negotiation, the Department agreed (8 May 1997) to pay a compensation of Rs.42 lakh, which was paid in October 1997. Thus, due to arbitrary action of the Minister and the Department, Government unnecessarily incurred expenditure of Rs.42 lakh on payment of compensation.

3.18.3 The matter was reported to Government and Department in May 2001; their replies had not been received (January 2002).

Break down recovery van	3,18,000	8,20,000	5,02,000	1	5,02,000
				33	30,92,400
				C.S.T. 4%	1,23,696
				Total:-	32,16,096

¹² (i) Shri Zakato, Kohima, (ii) Shri K. Viketo Assumi, Kohima, (iii) M/s Feeds and Feeding, Kohima and (iv) M/s Kohima Trading, Kohima.