

CHAPTER-III FOREST DEPARTMENT

3.1 Integrated Audit of Forest Department

Highlights

The aim of the Forest Department is forest management in the State *i.e.* wildlife, biodiversity and habitats for maintenance and rehabilitation of ecological balance and economic development of the people of the State. The Department is responsible for carrying out soil and water conservation works, afforestation works to increase area under forest cover and preservation of wildlife. However, during 2009-10, there was a shortfall of 750 hectares in plantations, 790 hectares and 770 hectares in maintenance of one and two year old plantations respectively. Significant audit findings noticed are as under:

₹ 53.59 lakh meant for preparation of working plan, regeneration activities and protection of forest had been unauthorisedly expended for departmental logging of timber.

(Paragraph 3.1.9 (iii))

Four to seven months after the prescribed plantation schedule the Department raised plantations on 4335 hectares.

(Paragraph 3.1.10 (ii))

After completion of advance work for plantation on 230 hectares at a cost of ₹ 19.19 lakh, no final plantation was carried out resulting in wasteful expenditure.

(Paragraph 3.1.10 (iii))

Before final acquisition of seven hectares of land expenditure of ₹ 13 lakh was incurred on establishment of rescue centre for Sangai (Brow-antlered deer).

(Paragraph 3.1.10 (v))

3.1.1 Introduction

Of its geographical area of 22,327 sq km, Manipur State has a forest area of 17,418 sq km with forest cover of 17,280 sq km which represents 78 *per cent* and 77 *per cent* respectively. There are two National Parks¹, five Wild Life Sanctuaries², one Zoological Garden and one Orchid Preservation Centre. Of these Keibul Lamjao National Park (40 sq km) and Yangoupokpi Wildlife Sanctuary (184.80 sq km) are protected areas.

¹ (i) Keibul Lamjao and (ii) Siroi

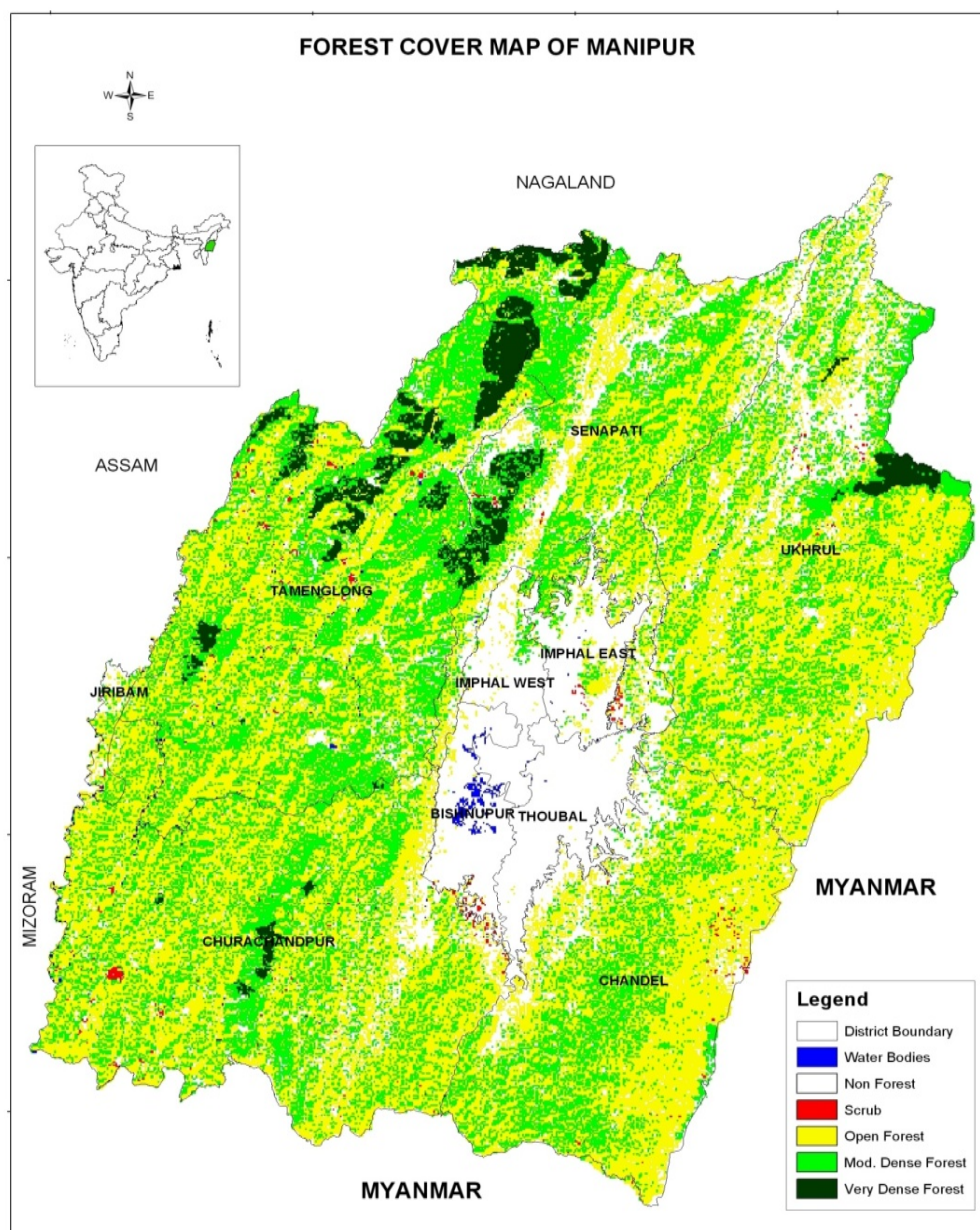
² Yangoupokpi Lokchao; (ii) Jiri Makru; (iii) Bunning; (iv) Kailam, and (v) Zeilad

As per State of Forest Report (2009) published by the Forest Survey of India (FSI), the distribution of forest cover in the State was as under:

Table 1

(Area in sq km)

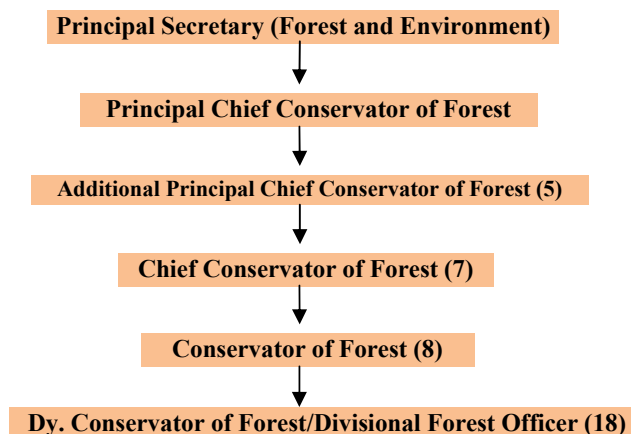
Forest cover	Assessment of 2009
Very Dense Forest	701
Moderate Dense Forest	5474
Open Forest	11105
Total:	17280



Source: Forest Survey of India

3.1.2 Organisational set up

The organizational set-up of the Department is shown below:



Principal Secretary (Forest and Environment) is overall in charge of the Department. Principal Chief Conservator of Forest (PCCF) is the Head of the Department (HoD) and is responsible for all forestry, wildlife and allied activities. He is responsible for preparation and submission of the budget estimates to the Finance Department through the Administrative Department. There are five Additional Principal Chief Conservator of Forest (APCCF). APCCF-cum-Chief Wildlife Warden is the head of wildlife wing and the other four APCCF are responsible for works related to afforestation, conservation, research and silviculture, medicinal plants and bio-diversity of the areas under them. They are assisted by Chief Conservator of Forest (CCF) and Conservator of Forest (CF). The Divisional Forest Officers (DFOs) are responsible for actual implementation of the schemes in the field through range officers and other subordinate staff.

3.1.3 Scope of audit

The functioning of the Department for the period 2005-10 was reviewed through a test check of records of the Department during June to August 2010. The offices of the PCCF and 10 DFOs³ (out of 18) were selected on simple random sampling without replacement (SRSWOR) for detailed examination. Of the total expenditure of ₹ 168.73 crore incurred during the period on 21 State plan schemes and two Centrally Sponsored Scheme (CSS), Audit test-checked the expenditure of ₹ 88.46 crore (52 per cent) incurred by the selected auditee units on eight⁴ State plan schemes and two⁵ CSS.

³ (i) Soil Conservation Division (ii) Social Forestry Division (iii) Central Forest Division (iv) Bishnupur Forest Division (v) Thoubal Forest Division (vi) Western Forest Division, Tamenglong (vii) Eastern Forest Division, Ukhrul (viii) Northern Forest Division, Kangpokpi (ix) Tengnoupal Forest Division, Chandel (x) Deputy Conservator of Forests, Parks and Sanctuaries

⁴ Afforestation, Working Plan, Social Forestry, Economic Plantation, Development of Keibul Lamjao National Park, Development of Wild Life Sanctuaries, Development of Minor Forest Produce and Forest Buildings

⁵ Integrated Forest Protection Scheme and Integrated Development of Wild Life Habitats.

3.1.4 *Audit objectives*

The integrated audit of the Department was carried out to assess whether:

- The objectives of the Department were achieved;
- The programmes were planned properly and implemented efficiently;
- The funds provided for the programme were properly utilized and procedure, rules and regulations specified thereof were adhered to;
- Human resources were optimally utilized; and
- An effective internal control and evaluation mechanism existed.

3.1.5 *Audit criteria*

Audit criteria adopted for benchmarking the audit findings were:

- Indian Forest Act, 1927
- Manipur Forest Rules, 1971
- Scheme Guidelines, Notifications and instructions issued by the State and Central Governments
- General Financial Rules (GFRs)
- Procedures prescribed for monitoring and evaluation of schemes

3.1.6 *Audit methodology*

The methodology included selection of units/schemes based on SRSWOR method, holding an Entry Conference (May 2010) with the Principal Secretary, Forest and Environment and other departmental authorities, checking of relevant records, analysis of the data and documentary evidence on the basis of audit criteria to arrive at audit findings, conclusions and recommendations. Audit findings were discussed with the Commissioner (Forest) and other departmental officers in an Exit Conference (November 2010) and the replies of the Department have been incorporated in the report at the appropriate places.

Audit findings

The important points noticed in audit are narrated in the succeeding paragraphs.

3.1.7 *Planning*

With the objective of scientific management of forests, checking denudation and erosion, protecting the economic interest of the tribals, maximizing production to meet the demands of forest based industries the State Forest Policy was formulated in August 1986. Two years after formulation of State Forest Policy, the Government of India introduced the National Forest Policy, 1988 to evolve a new strategy for forest preservation, maintenance and restoration of ecological balance, sustainable utilization and enhancement of

livelihood of the rural poor population of the State. After a gap of 12 years, the Department prepared a revised Manipur Forest Policy 1998 with the objective of achieving sustainable development and utilization of forest resources, environmental and ecological stability as well as economic development of the State. However, this was not approved by the State Government as of November 2010, reasons for which was not on record. Although Manipur Revised Forest Policy 1998 was yet to be approved, the annual plans, annual action plan and five years perspective plan were prepared in conformity with National Forest Policy 1988. During 2005-10 against the plantation target of 21225 hectares, the department could achieve 20475 hectares leaving a shortfall of 750 hectares. This has been discussed in para 3.1.10 (i).

According to Annual Plans, once an economic plantation (otherwise known as Restocking of Reserved Forests) has been made, its maintenance should be carried out for the next two years. However, targets for maintenance were fixed without considering the quantum of such plantations made in the previous years as shown in table below:

Table 2

(in hectare)

Year	Actual plantation (Restocking of Reserved Forests)	Target for maintenance of plantations (for one year old plantations)			Target for maintenance of plantations (for two year old plantations)		
		to be fixed	fixed	shortfall in fixation of target	to be fixed	fixed	shortfall in fixation of target
2005-06	580	*	*	*	*	*	*
2006-07	450	580	320	260	*	*	*
2007-08	555	450	150	300	580	300	280
2008-09	645	555	410	145	450	120	330
2009-10	1085	645	535	110	555	520	35
Total:	3315	2230	1415	815	1585	940	645

(Source: Departmental records)

* This relates to plantations made during 2003-05 and relevant records were not available with the department.

The table shows that the programme for maintenance had always been fixed lower than what they should have been fixed leading to heavy shortfall each year. Thus, fixation of maintenance target for plantations was not based on realistic assessment as targets were not fixed on the basis of actual plantations taken up during the previous years. Achievement and shortfall in maintenance of one and two years old plantations has been discussed in para 3.1.10 (iv).

Though the annual action plans (also known as Work Programme) should be prepared for item-wise physical and financial targets of various activities, the financial targets shown in the work programme had been clubbed and not broken down into individual items of plantation and other activities of the Department.

While admitting the facts, the Department stated (November 2010) that the Government would be pursued for finalization of State Forest Policy 1998 and the point regarding preparation of item wise physical and financial targets to be broken down to individual items had been noted for future compliance.

3.1.8 Management of forest land

Forests are renewable in nature. These can be augmented or depleted with human and other interferences. Environmental stability and restoration of ecological balance depends upon conservation, upgradation and augmentation of forest cover. Therefore, forests are required to be managed in most sustainable manner which involves control over forest land, preparation of working plans and plantation programmes.

(i) Demarcation of reserved forests

For ensuring protection of reserved forests, construction and erection of boundary pillars is a necessity. The State has 1038.65 sq km of reserved forests area. For demarcation of these areas, erection of boundary pillars for a length of 1235 km is required. However, as of March 2010 boundary pillars had been erected only along 93.50 km (8 per cent) leaving 1141.50 km without demarcation.

The Department stated (November 2010) that erection of boundary pillar was a continuing process. It further added that efforts were being made for fixation of specific targets for erection of boundary pillars. Thus, due to non-fixation of specific target for demarcation of reserved forests and non-completion of erection of boundary pillars, demarcation of reserved forest could not be fully ensured thereby defeating the very purpose of ensuring protection of reserved forests.

(ii) Encroachment of reserved forests

As per Manipur Forest Rules 1971, the Chief Conservator of Forest and the Forest Officer-in-charge of the Division, has the power to evict summarily any person who unauthorisedly occupies or continues to occupy any land under the control of the Forest Department. In case of resistance by the encroachers, the CCF/Officer-in-charge of the Divisions needs to bring the matter to the notice of the Deputy Commissioner (DC) who shall render necessary assistance through police or other agencies to evict the trespassers. However, as of October 2010, 16.28 sq km of the reserved forest area continues to be under encroachment as shown below:

Table 3

Name of Forest Divisions	Area of Reserved Forest (sq km)	Area under encroachment (sq km)
Thoubal	21.51	1.43
Central	21.27	1.76
Tengnoupal	141.86	0.82
Bishnupur	0.91	0.32
Southern	281.32	0.87
Northern	193.08	2.92
Tamenglong	204.65	8.16
Jiribam	174.05	Nil
Total :	1038.65	16.28

(Source: Departmental records)

In case of Tengnoupal and Central Forest Divisions, eviction notices were served in 1994 and 2005 respectively but no further action had been taken

thereafter. The Department had not sought the assistance of DCs concerned for eviction of the encroachers. No reason was recorded in the departmental record. In case of the other six divisions, records relating to issue of eviction notices were not made available in audit. Thus, due to inaction of the Department, encroachers continued to occupy 16.28 sq km of reserved forest areas thereby reducing its forest area. Thus, the objective of protecting reserved forests had not been fully achieved.

(iii) Working plan

Working plans are an essential document for scientific management of Forests. It analyses the existing condition of the forests with reference to past management practices and prescribes management practices for sustainable development based on sound scientific methods. It also prescribes site specific measures for overall improvement of forests.

National Forest Policy, 1988 envisages that no forest should be permitted to be worked without the Government having approved the management plan. As per directive of Hon'ble Supreme Court (January 1998) forest working should be carried out strictly in accordance with the approved prescriptions of the Working Plans and these should be prepared within a period of two years. Though the Department targeted to bring all forests of the State under scientific management by 2008-09 out of total ten territorial forest divisions, only Tengnoupal and Eastern Forest Divisions had approved working plans for the period 2004-14 (approved in January 2005). Working plans of the other eight divisions⁶ were approved by Government of India only during October 2010. The delay in approving working plan affected the timely sustainable development of the forests.

3.1.9 Financial management

(i) Sources of funds

During the period from 2005-06 to 2009-10, the Department received funds of ₹ 58.29 crore from various sources such as Central Government (CSS:⁷ ₹ 25.54 crore, SPA:⁸ ₹ 2.75 crore and TFCA:⁹ ₹ 30 crore) and from North Eastern Council (₹ 0.22 crore). In addition, the State Government supplemented ₹ 36.11 crore from its plan funds. Thus, a total fund of ₹ 94.62 crore under Plan and ₹ 77.94 crore under Non-plan was made available to the Department during the period 2005-10.

The position of budget allotment and expenditure incurred in implementation of the various schemes during 2005-10 were as under:

⁶ Bishnupur Forest, Central Forest, Jiribam Forest, Northern Forest, Senapati Forest, Southern Forest, Thoubal Forest and Western Forest divisions

⁷ Centrally Sponsored Scheme

⁸ Special Plan Assistance

⁹ Twelfth Finance Commission Award

Table 4

(₹ in crore)

Year	Budget provision			Expenditure			Excess (+) Savings (-)	
	Plan	Non-Plan	Total	Plan	Non-Plan	Total	Plan	Non-Plan
2005-06	13.23	14.32	27.55	13.22	13.93	27.15	(-) 0.01	(-) 0.39
2006-07	24.66	12.63	37.29	24.34	12.38	36.72	(-) 0.32	(-) 0.25
2007-08	19.09	14.18	33.27	19.07	13.59	32.66	(-) 0.02	(-) 0.59
2008-09	18.76	17.46	36.22	15.57	16.49	32.06	(-) 3.19	(-) 0.97
2009-10	18.88	19.35	38.23	21.62	18.52	40.14	(+) 2.74	(-) 0.83
Total	94.62	77.94	172.56	93.82	74.91	168.73		

(Source: Departmental records)

The above table shows that during 2005-10, there were marginal savings under Non-plan and under Plan heads barring 2009-10 with excess of ₹ 2.74 crore. No reason for savings under Plan and Non-plan heads was available in the departmental records. Further, exhibition of savings of ₹ 3.19 crore under Plan head during 2008-09 was not correct for a sum of ₹ 3 crore was parked under 8449-Other Deposit in March 2009 at the instance of the Government. The amount was withdrawn and utilized in May 2009. The expenditure statement for the period 2005-10 furnished by the Department did not tally with those in the books of the accounts of the Accountant General, which needed reconciliation.

Audit noticed that during 2005-10 the State Government released the central funds to the implementing agency after 32 to 281 days of their receipt from the Centre (**Appendix-3.1**). This affected implementation of the central schemes.

(ii) Rush of expenditure

General Financial Rules provide that Government expenditure should be evenly phased out throughout the year as far as possible. Rush of expenditure, particularly at the close of the financial year is prone to the risk of Government not getting proper value for money as expenditure is likely to take place with due diligence and care. Audit noticed that during 2005-10 the department incurred nine to thirty-six *per cent* of its expenditure during March alone indicating poor financial control as shown in the table below:

Table 5

(₹ in lakh)

Year	Plan expenditure					
	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	March Alone (<i>per cent</i>)	Total
2005-06	Nil	175.33	956.52	189.86	189.86 (14)	1321.71
2006-07	419.80	320.27	806.51	887.71	871.76 (36)	2434.29
2007-08	Nil	228.17	556.97	1121.91	666.83 (35)	1907.05
2008-09	Nil	253.83	1135.81	166.88	147.48 (9)	1556.52
2009-10	322.06	287.28	661.02	891.16	305.77 (14)	2161.52

(Source : Departmental records)

Department did not furnish any reply on this issue.

(iii) Unauthorised expenditure

Twelfth Finance Commission provided funds for preparation of working plans, regeneration activities, subsidiary silvicultural operations, soil and moisture conservation, protection of forests and harvesting of timber. However, harvesting of timber was permissible only in divisions having approved working plans.

As of March 2010 Thoubal and Western Forest divisions had no approved working plans. So, for these two divisions the Commission's award was meant only for preparation of working plan, regeneration activities and protection of forest. However during 2009-10 these two divisions spent ₹ 53.59 lakh (Thoubal: ₹ 3.08 lakh, Western: ₹ 50.51 lakh) on harvesting of timber departmentally in violation of the provisions of the Commission's awards. This tantamount to unauthorised expenditure.

The Department stated (November 2010) that harvesting of timber was done in the two divisions in anticipation of approval of working plans. The reply of the Department was not acceptable as the XIIth Finance Commission awards clearly stipulated that extraction of timber should be carried out only in the divisions having approved working plan.

(iv) Irregular drawal of funds

General Financial Rules lay down that fully vouched contingent bills (supported by actual bills) should be drawn only when the services had been rendered or supplies made.

Test check of the records of Thoubal Forest Division revealed that during 2007-09 it drew ₹ 20.89 lakh (2007-08: ₹ 12.20 lakh, 2008-09: ₹ 8.69 lakh) on fully vouched contingent bills supported by estimates of works only (**Appendix-3.2**).

Similarly, Parks and Sanctuaries Division also drew (March 2010) ₹ 4.50 lakh on fully vouched contingent bills for procurement (₹ 4.05 lakh) and installation (₹ 0.45 lakh) of solar street lighting system in three villages (Keibul Makha Leikai, Thanga village, Yangoupokpi) supported by sanction orders only. The drawal on fully vouched contingent bills were not supported by actual bills.

The Department stated (November 2010) that the vouchers were now available for the Thoubal Division and the supplier (Manipur Renewable Energy Development Agency) had intimated availability of the street lighting system and works for installation were now afoot for the other division. The reply was not acceptable as the fully vouched contingent bills were not supported by actual bills at the time of drawal of funds and materials were not received at that time.

(v) *Realisation of revenue*

The Department collected revenue in the form of forest royalty from sand, stone, timber and other minor forest produces. The position of revenue realization during 2005-10 was as under:

Table 6

(₹ in lakh)

Year	Targets	Realization	Excess (+)/Shortfall (-) (Percentage)
2005-06	142.00	145.27	(+) 3.27
2006-07	160.00	144.14	(-) 15.86 (10)
2007-08	220.00	132.95	(-) 87.05 (40)
2008-09	231.00	102.23	(-) 128.77 (56)
2009-10	254.10	202.65	(-) 51.45 (20)
Total	1007.10	727.24	

(Source: Departmental records)

The table shows that except during 2005-06 there was shortfall in realization of revenue ranging from 10 to 56 *per cent* indicating laxity in realization efforts. The Department, however, did not furnish any separate target fixed for individual items of forest produce. As a result audit could not assess shortfall in collection of revenue for individual items of forest produce.

Generally after keeping a close eye on the prevalent market rates of forest produces rates of royalty should be revised from time to time. However, audit noticed that the Department had not revised the rates for the last 18 years (last revision made in 1992) indicating weakness in resource management. Had the Department revised the rates of royalty from time to time, there would be a substantial increase in realization of revenue of the State.

The Department stated (November 2010) that shortfall in realization was because of unrealistic targets fixed by the Finance Department and the revision of rates of royalty was under process.

3.1.10 *Programme implementation*

(i) *Plantation programme*

Plantation of trees is the core function of the Forest Department. The Department had taken up re-stocking of reserved forests, afforestation, social forestry, artificial regeneration and aided natural regeneration/natural regeneration plantations during 2005-10. The position of targets and achievements for plantations under State schemes for the period 2005-10 were as under:

Table 7

(₹ in lakh)

Name of scheme	Physical target** (in hectares)	Achievement	
		Physical (in hectares)	Financial
Restocking of Reserved Forest (Economic plantation)	3160	3315	247.75
Afforestation	2280	2280	285.84
Social forestry	2820	2820	342.47
*Artificial Regeneration	2910	2965	174.36
*Aided Natural Regeneration/ Natural Regeneration	10055	9095	662.35
Total:	21225	20475	1712.77

(Source: Departmental records)

* Targets and achievements for the year 2009-10 have been excluded as the records were not available with the Department.

**Financial targets were not available in the Department.

From the above table it would be seen that there was shortfall of 750 hectares against the plantation target of 21225 hectares, details of year-wise target and achievement against the schemes are given in **Appendix-3.3**. The Department stated (November 2010) that shortfalls were because of inadequate fund allocation and, hike in wage of workers in December 2006.

In its reply the department stated (November 2010) that the shortfall was due to inadequate allocation of fund. The reply was not acceptable as it failed to demand adequate funds from the Government for the purpose.

(ii) *Plantation during dry season*

Climate plays a deciding role for determining the appropriate time for plantation. The schedule of forestry works was prepared (February 1991) by the Department considering the climatic and other local conditions.

As per the schedule, plantation was to be carried out during monsoon, latest by July. Contrary to this, during scrutiny of vouchers, audit noticed that during 2005-10 seven divisions carried out the plantations over 4335 hectares during dry season (December to March) *i.e.* four to seven months after the prescribed schedule, at the cost of ₹ 2.76 crore (details shown in **Appendix-3.4**).

Survival rate of these plantations could not be assessed in audit as the Department did not maintain plantation journals/regeneration records and had not instituted any mechanism to assess the survival and growth rate of the plantations.

The Department stated (November 2010) that no plantations were taken up during dry season in any of the divisions and payments on account of labour charges were only made during dry season when the funds were made available and Plantation journals, wherein details like date of execution of field works, expenditure incurred *etc.* are clearly recorded, were maintained.

The reply was not acceptable as examination of MRs clearly revealed that the *mazdoors* had been engaged during dry season. Moreover, the plantation

journals also could not be produced to audit. As a result, date of execution of the field works, expenditure incurred *etc.* could not be verified.

(iii) *Incomplete treatment of forest areas resulting in wasteful expenditure*

During 2006-09¹⁰, to improve the degraded wildlife habitat by enhancing food and shelter for wild animals, the Park and Sanctuaries Division carried out preparatory works, like site clearance, collection of stakes, burning, laying out and digging of planting pits, refilling of pits with dug out soil, construction of mounds *etc.* in the pre-monsoon period for plantation of fuel and fodder and food and shelter trees in 230 hectares (2006-07: 50 hectares, ₹ 2.81 lakh; 2007-08: 100 hectares, ₹ 4.52 lakh; 2008-09: 80 hectares, ₹ 11.86 lakh) at a total cost of ₹ 19.19 lakh. This was to be followed up by final plantation over the area during monsoon. However, no final plantations were carried out during the succeeding monsoons resulting in wasteful expenditure of ₹ 19.19 lakh.

The Department stated (November 2010) that final plantation could not be done as no fund was provided during 2006-09. The reply of the Department was not tenable as it failed to demand adequate funds from the Government for the purpose.

(iv) *Maintenance of plantation*

Once a plantation has been established, it is necessary to protect the plantations against fire, insects, fungi and animals, also carry out a variety of cultural treatments like weeding, replacement of failed plants by new ones *etc.*

The Action Plans envisage maintenance of plantations up to one year for Aided Natural Regeneration (ANR) and Natural Regeneration (NR) and up to two years for economic plantations. One and two year old economic plantation to be maintained during 2006-10 was 2230 and 1585 hectares respectively, of which 1440 hectares and 815 hectares were maintained leaving a deficit of 790 and 770 hectares (**Appendix-3.5**).

During 2005-09 six divisions carried out ANR and NR plantations over 2101 hectares with an expenditure of ₹ 148.60 lakh (**Appendix-3.6**). However, the Department did not carry out their maintenance during the mandatory period.

The Department attributed the non-maintenance of plantations to inadequate funds. The reply was not acceptable as the Department had not demanded funds for maintenance of plantations.

(v) *Establishment of Sangai (Brow antlered Deer) Rescue Centre*

Ministry of Forest and Environment sanctioned (June 2009) ₹ 42.45 lakh for the recovery programme for saving the critically endangered species, Sangai (Brow antlered Deer) and released ₹ 33.96 lakh as first installment in June

¹⁰ No such irregularity was noticed during 2005-06 and 2009-10.

2009. This amount included, *inter alia*, ₹ 13 lakh for creation of rescue centre at Keibul Lamjao with chain linked fencing reinforced with electric fence and an earthen water body¹¹ inside.

The Sangai Rescue Centre required 10 hectares of land of which, the Department was having only three hectares and the remaining seven hectares of land was required to be acquired. As of November 2010, the acquisition of land was under process.

However, during March 2010 the Department spent the entire provision ₹ 13 lakh (₹ 10.19 lakh on purchase of construction materials and ₹ 2.81 lakh on engagement of *mazdoors* for construction of the fencing) even before settlement of the remaining seven hectares of land. Audit noticed that the work for fencing has not been recorded in the measurement books. In the absence of such vital records like measurement books, the actual execution of the work was doubtful.

(vi) Extraction of timbers

As per approved working plan, for meeting the local demand of timber, felling of trees from the dense forest areas and pine forest (having canopy of 40 *per cent* and above) in the selection-cum-improvement working circle is required. Trees having girth of 141cm gbh¹² and above would be selectively felled to open the canopy to enable the smallest trees to grow to matured ones. However, during the period 2005-10 for Eastern and Tengnoupal Forest Divisions, against a target of 123500 cum the Department extracted only 5954 cum resulting in shortfall of 117546 cum. (Details shown in **Appendix-3.7**). The department attributed the shortfall to resource constraints.

The reply was not convincing as it failed to demand adequate funds from the Government for the purpose.

(vii) Felling of trees below the prescribed girth

As per approved working plan, trees should be exploited only when it reaches the harvestable girth. Exploitation of premature trees amounts to destruction of forest. However, during 2008-10 two divisions felled 309 trees (17 of the girth of 120 to 140 cm by Tengnoupal Forest Division, 292 of the girth of 55 to 140 cm by Thoubal Forest Division) below the harvestable girth.

The Department stated (November 2010) that they felled the trees as they were dry and uprooted and for thinning of pine and eucalyptus species. The reply was not acceptable as the enumeration records did not indicate any dry and uprooted trees. For thinning purposes felling of trees from the dense forest and pine forest areas should be trees having girth of 141 cm gbh and above only. However, the Department felled trees before reaching the girth of 141 cm.

¹¹ Water body is any significant accumulation of water

¹² Girth breast height

(viii) Irregular adjustment of AC bill

As per financial rules amounts drawn on Abstract Contingent bills shall be adjusted by Detailed Countersigned Contingent bills.

Two divisions drew ₹ 17.55 lakh on AC bills for making advances to three Range Officers (Northern Forest Division: ₹ 11.90 lakh, March 2007; Parks and Sanctuaries Division: ₹ 5.65 lakh, March 2009).

The works, as stated, were for construction of boundary pillars, creation of aided natural regeneration, artificial regeneration, subsidiary silviculture operations, final plantation of food and shelter trees (details shown in **Appendix-3.8**) where engagement of *mazdoors* and purchase of materials like cement, sand, stone chips, steel rods *etc.* were involved. As per rule while submitting the adjustment accounts to the Office of the Accountant General, the relevant APRs and cash memos must accompany the DCC bills. Audit, however, noticed that in contravention of the above financial rules, the divisions adjusted the advances during March 2007 and March 2009 and the adjustments of advances were not supported by the actual payees' receipts of the *mazdoors* and cash memos for purchase of materials. In absence of such vital documents, actual execution of the above works could not be verified in audit.

The Department stated (November 2010) that all relevant records which could not be produced during audit due to misplacement have now been available. The reply is not acceptable as adjustment of AC bills by submission of DCC bills without relevant supporting documents of expenditure *viz.* APRs, cash memos *etc.* is in contravention of the financial rules.

(ix) National Afforestation Programme

The GoI launched National Afforestation Programme (NAP) through Forest Development Agencies. The objective of the National Afforestation scheme is to develop the forest resources with people's participation, with focus on improvement in livelihoods of the communities living on the fringes of forests. The Scheme aims to support and accelerate the ongoing process of devolving forest protection, management and development functions to decentralized institutions of Joint Forest Management Committee (JFMC) at the village level, and Forest Development Agency (FDA) of which Conservator of Forest was the Chairperson and DFO was the Chief Executive Officer/ Member Secretary at the departmental level.

The scheme was operational during 10th and 11th Five Year Plan periods. Under the programme GoI funds were directly received by FDAs. As per notification for constitution of FDAs in the State, each JFMC would submit a monthly statement of accounts, progress of works carried out by them to the respective FDA. FDA retains the rights to stop and withdraw funding from JFMC, if the Chairperson of the FDA finds that the performance of the particular JFMC is found to be unsatisfactory.

During 2007-10, GoI released ₹ 17.25 crore for implementation of NAP.

During audit the following shortcomings were noticed:

- The amounts of advance released to JFMCs were still lying unadjusted (November 2010) in the books of FDAs. Reasons for non-adjustment were not on record. In the absence of adjustment vouchers, audit could not verify whether the works for which the advances were made had been executed. However, the FDAs did not take any steps to stop or withdraw funding from defaulting JFMCs.
- GoI revised (December 2009) the operational guidelines of the ongoing NAP. The revised guideline requires the formation of State Forest Development Agency (SFDA) in which PCCF will be the Chairperson of both General and Executive Body. The SFDA will act as the federation of FDAs in the State and may undertake all activities including policy support, programme and projects that are required for regeneration, development and/or management of forests and adjoining areas and allied activities with people's participation including implementation of Centrally-Sponsored Forestry Schemes. The SFDA would open a separate account wherein the funds for all the FDAs would be allotted to the SFDA on approval of consolidated SFDA proposal (to be submitted latest by April 2010). However, no SFDA has been constituted (September 2010) and as such no proposals have also been sent to the Ministry. This has resulted in non-release of allocated funds for the State which would certainly affect the afforestation programme.

The Department stated (November 2010) that the amounts of advance released to JFMCs is being adjusted at the earliest and as per revised operational guidelines SFDA had been constituted only in November 2010 and would be made functional soon. The reply was not tenable as the accounts were lying unadjusted for the last three years (2007-10).

3.1.11 Human resource management

As on August 2010, against 1207 sanctioned posts of 37 categories of staff, the Department had 940 men in position. As against the above mentioned sanctioned post, major key post of eight Range Forest Officers (sanctioned strength: 73), 14 Deputy Rangers (sanctioned strength: 91) and 149 Forest Guards including boatman (sanctioned strength: 703) instrumental for carrying out forestry activities were lying vacant. Shortfall of staff in the Department would be a major hurdle in implementation of various activities of the Department.

As per transfer policy, one-third of the employees should be transferred every year with the objective of posting every employee in rural/remote areas of the State. This was not followed in the case of ministerial staff. Against 119 persons available in five categories¹³, while 40 persons were required to be transferred each year on rotation basis only 16 persons were transferred during 2005-10. Thus, the objective of posting every employee in remote areas of the State on rotation basis was not implemented properly.

¹³ Superintendent-1; Head clerk/Sr. Accountant-7; Junior Accountant-12; UDC-26; LDC-73

In the case of technical staff, the practice was in the reverse. While only 24 Range Forest Officers were required to be transferred each year against the available 73 persons in position. However, 33 to 75 incumbents were transferred during the period under review (2006-07: 75, 2007-08: 33, 2008-09: 38, 2009-10: 50). Transfer and posting of excess number of officers in technical staff category during the period 2006-10 was not only against the policy but also affected the working of the department to some extent.

3.1.12 Internal control

Internal controls in an organisation are meant for reasonable assurance that its operations are being carried out according to laid down rules, regulations and in an economical, efficient and effective manner. The following lapses in internal control of the department were noticed in the test checked offices/divisions:

- None of the test-checked divisions except Western Forest Division maintained Measurement books, which is a basic and important record.
- None of the 10 test-checked divisions maintained Stock register of nurseries and materials, register of land and buildings, log books of vehicles and uniform registers.
- Central Forest Division did not maintain stock register of wind-fallen trees. Cashbooks of the Range Forest Officers were not up to date.
- Tengnoupal and Eastern Forest Divisions did not record the number of trips, dates and distance of transportation of logs to motorable site/dump sites, and did not date APRs for execution of departmental logging during the period 2005-10.
- The Department did not take any action to dispose off or repair six vehicles which had been lying off-road for seven to 12 years. (August 2010). The inaction on this account would result in further deterioration and finally their disposal at scrap values.
- The Department does not have any independent internal audit wing. The Director of Local Fund Audit used to conduct internal audit, but the audit was in arrears. Three divisions (Tengnoupal, Soil Conservation and Senapati) were not covered for more than three years and Jiribam Forest Division for more than five years.
- As of March 2010, replies to 327 paras of 121 Inspection Reports of the Accountant General (Audit) were yet to be furnished. As a result, 327 paras were lying unsettled. This indicates that the Department was not sensitive to the error signals sent to the department in the form of Inspection Reports.

3.1.13 Monitoring and evaluation

Monitoring and evaluation provides means of corrective measures on deviations and deficiencies in implementation of various development activities and data for future planning. The PCCF was responsible for monitoring and evaluation of the programme implementation of the Department.

A monitoring committee was constituted only during 2007-08 by the Chief Conservator of Forest (Conservation and JFM) for monitoring the plantations taken up during 2005-06 and 2006-07 by Soil Conservation and Social Forestry Divisions under Social Forestry Circle. Thereafter, no monitoring committee was constituted. For other circles, there was no record of constitution of monitoring committees during 2005-10. Thus the programmes of the Department were not evaluated adequately by the Department. The Department while admitting the facts stated (November 2010) that after posting of a senior officer as Chief Conservator of Forest, monitoring and evaluation of the aspect of providing corrective measures for deviation and deficiencies in implementation of various development activities would now be taken care of in a better manner.

3.1.14 Conclusion

Despite passage of 12 years, State did not frame a State specific Forest policy. The Department did not fix any specific targets for demarcation of reserved forests. As a result, only 8 *per cent* boundary pillars had been erected as of March 2010 thereby defeating the very purpose of ensuring protection of reserved forests. As regard to plantation programme there was shortfall of 750 hectares against the plantation target of 21225 hectares under State plan sector. The Department failed to evict the encroachers who continue to occupy 16.28 sq km of reserved forests thereby reducing its forest area to that extent. Delay in getting the approved working plans of the Forest Divisions had affected sustainable development of the forests. There were shortfalls in realization of revenue, extraction of timber and maintenance of plantations. As against the schedule plantation during monsoon seasons, creation of Natural Regeneration, Aided Natural Regeneration and Artificial Regeneration were carried out during dry season which affected the survival rate of these plantations. Unauthorised expenditures and doubtful expenditure on Sangai (Brow antlered Deer) Rescue Centre indicates the imperative need for streamlining of the financial management. Appropriate and timely maintenance of the plantation could not be ensured. There was no mechanism for regular monitoring and evaluation of the various plantation schemes carried out during 2005-10.

3.1.15 Recommendations

- State Forest Policy should be revised in conformity with the National Forest Policy 1988 without further loss of time for the effective management of the forests of the State.
- Efforts should be made to meet the approved plantation target and maintenance of plantation should be based on the actual plantation taken up during the previous years.
- Government should gear up their efforts to evict the encroachers so as to maintain its forest areas.
- There is an urgent need for revision of rates of royalty so that State revenue could be increased substantially.

- Financial management should be strengthened to ensure timely release of funds and their utilization for the intended purposes.
- Monitoring and evaluation mechanism should be strengthened to ensure implementation of the schemes in an effective and efficient manner.