

**REPORT OF THE
COMPTROLLER AND AUDITOR GENERAL
OF INDIA**

FOR THE YEAR ENDED 31 MARCH 2012

GOVERNMENT OF NAGALAND

Report No. 1 of 2013

<http://www.saiindia.gov.in>

TABLE OF CONTENTS

	Reference to	
	Paragraph (s)	Page (s)
Preface		v
Executive Summary		vii
CHAPTER I – SOCIAL SECTOR		
Introduction	1.1	1
Planning and Conduct of Audit	1.2	2
RURAL DEVELOPMENT DEPARTMENT		
Performance Audit on Mahatma Gandhi National Rural Employment Guarantee Scheme (MNREGS) in Nagaland	1.3	3
HEALTH AND FAMILY WELFARE DEPARTMENT		
Fraudulent Drawal	1.4	54
Excess Expenditure	1.5	54
Suspected Fraudulent Drawal	1.6	56
Extra Avoidable Expenditure	1.7	57
SCHOOL EDUCATION DEPARTMENT		
Fraudulent Drawal	1.8	58
CHAPTER II – ECONOMIC SECTOR		
Introduction	2.1	61
Planning and Conduct of Audit	2.2	62
VETERINARY AND ANIMAL HUSBANDRY DEPARTMENT		
Integrated Audit of Veterinary and Animal Husbandry Department	2.3	62
AGRICULTURE, LAND RESOURCES, SOIL & WATER CONSERVATION AND NEPED		
Implementation of Watershed Development Programmes in Nagaland	2.4	101
PUBLIC HEALTH ENGINEERING DEPARTMENT		
Suspected misappropriation of stores	2.5	122
CHAPTER III – ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)		
Introduction	3.1	125
Audit Mandate	3.2	125
Investment in State PSUs	3.3	126
Budgetary outgo, grants/subsidies, guarantees and loans	3.4	127
Reconciliation with Finance Accounts	3.5	128
Performance of PSUs	3.6	129
Arrears in finalisation of Accounts	3.7	130
Accounts Comments and Internal Audit	3.8	131
INDUSTRIES AND COMMERCE DEPARTMENT		
Loss due to non filing of execution petition	3.9	131
CHAPTER IV – REVENUE SECTOR		
Trend of revenue receipts	4.1.1	133
Variation between the budget estimates and actuals	4.1.4	135

Cost of collection	4.1.5	135
Analysis of arrears of revenue	4.1.6	136
Arrears in assessment	4.1.7	136
Evasion of Taxes	4.1.8	137
Response of the Departments/Government towards audit	4.1.9	137
Failure of the senior officials to enforce accountability and protect the interest of the State Government	4.1.10	137
Departmental Audit Committee Meetings	4.1.11	138
Response of the Departments to the draft audit paragraphs	4.1.12	139
Follow up on Audit Reports – summarised position	4.1.13	139
Compliance with the earlier Audit Reports	4.1.14	139
Analysis of mechanism for dealing with the issues raised by Audit	4.1.15	140
Position of Inspection Reports	4.1.16	140
Assurances given by the Departments/Government on the issues highlighted in the Audit Reports	4.1.17	141
Action taken on the recommendations accepted by the Departments/Government	4.1.18	141
Results of Audit	4.1.19	142
TAXATION DEPARTMENT		
Evasion of Tax	4.2	142
CHAPTER V – GENERAL SECTOR		
Introduction	5.1	145
Planning and Conduct of Audit	5.2	146
HOME (GENERAL ADMINISTRATION) DEPARTMENT		
Excess Payment	5.3	146
HOME (FIRE AND EMERGENCY SERVICES) DEPARTMENT		
Diversion of Funds	5.4	148
HOME DEPARTMENT		
Fraudulent Drawal	5.5	149
CHAPTER VI – FOLLOW UP OF AUDIT OBSERVATIONS		
Response of the departments to the recommendations of the Public Accounts Committee (PAC)	6.1	151
Monitoring	6.2	151
Oustanding Inspection Reports	6.3	151
Departmental Audit Committee Meetings	6.4	153

APPENDICES

	Appendix No.	Page
Fund flow statement in respect of DPC, Dimapur	1.1 (a)	155
Fund flow statement in respect of DPC, Mon	1.1 (b)	155
Fund flow statement in respect of DPC, Tuensang	1.1(c)	156
Fund flow statement in respect of DPC, Peren	1.1(d)	156
Statement showing the release of funds and expenditure in respect of 71 VDBs under 9 Blocks in four test checked DPCs during -2007-12	1.2	157
Statement showing unexecuted works under four DPCs	1.3 (i)	160
Statement showing excess expenditure/short in execution/no use of material in the units of Projects under 4 DPCs	1.3 (ii)	164
Statement showing the diversion of projects under non-permissible category of works under 4 DPCs	1.3 (iii)	168
Statement showing the details of fraudulent drawal of Pay & Allowances in respect of Chief Medical Officer, Zunheboto	1.4	173
Comparison of rates and calculation of excess amount paid by Health & Family Welfare Department	1.5	174
Statement showing the details of fraudulent drawal of pay and allowances in respect of DIS, Niuland	1.6	175
Statement showing DDOs/projects/institutions taken up for Joint Physical Verification	2.3.1	177
Statement showing activities proposed in 11 th five year plan, total agreed outlay in the annual plans, budget provision made and actual expenditure during 2007-12.	2.3.2	180
Statement showing cattle delivered to beneficiaries of Community Dairy Projects and Model Dairy Projects by suppliers and production of the projects	2.3.3	181
Statement of works (under NABARD) stated to have carried out by the EE, V&AH Division which were actually not carried out as confirmed by the Joint Verification Team during spot verification.	2.3.4	183
Results of joint physical verification of beneficiaries under Entrepreneur Development	2.3.5	185
Results of joint physical verification of State Farms, Disease Diagnostic Laboratories, Hospitals, Dispensaries and Stockman Centres/Veterinary Outposts/Veterinary Health Centres.	2.3.6	186
Statement showing details of Fully Vouched Contingent Bills drawn in March 2012	2.3.7	189
Analysis of Completion certificates issued, work orders	2.3.8	192

attached with FVC, date of issue of NIT and date of actual completion as per MBs.		
Statement showing delay in release of fund at various levels under WDPSCA implemented by DSWC	2.4.1	193
Statement showing details of payment made without execution of work under NWDPR	2.4.2	194
Statement showing unexecuted items of works under IWMP	2.4.3	196
Statement showing particulars of up to date paid-up capital, loans outstanding and Manpower as on 31 st March 2012 in respect of Government Companies	3.1	197
Statement showing grants and subsidy received/receivables, guarantees received, waiver of dues, loans written off and loans converted into equity during the year and guarantee commitment at the end of March, 2012	3.2	199
Summarised financial results of Government Companies for the latest year for which accounts are finalised	3.3	201
Details of work sanctioned under SPA during 2010-11 for construction of fire stations, etc.	5.1	203
Statement showing the details of fraudulent drawal of ration allowance	5.2	204