

CHAPTER-I

GENERAL SECTOR

1.1 Introduction

This Chapter of the Audit report for the year ended 31 March 2013 deals with the findings on audit of the State Government under General Sector.

The names of the State Government Departments and the total budget allocation and expenditure of the State Government under General Sector during the year 2012-13 are given in the Table below:

Table-1.1.1

(₹ in crore)

Sl. No.	Name of the Departments	Total Budget Allocation	Expenditure
1.	Legislative Assembly	17.71	16.94
2.	Governor	4.53	4.24
3.	Council of Ministers	6.04	4.52
4.	Law and Judicial	24.95	18.76
5.	Vigilance	4.73	4.39
6.	Finance	370.89	420.68
7.	Mizoram Public Service Commission	4.62	4.18
8.	Secretariat Administration	73.09	67.80
9.	Parliamentary Affairs	0.46	0.42
10.	General Administration Department	59.80	56.87
11.	Home	488.51	438.64
12.	Printing and Stationery	17.81	11.45
13.	District Councils	278.49	265.48
Total		1351.63	1314.37

Source: Appropriation Accounts, Government of Mizoram, 2012-13

Besides the above, the Central Government has been transferring a sizeable amount of funds directly to the implementing agencies under the General Sector to different Departments of the State Government. The major transfers for implementation of flagship programmes of the Central Government are detailed below:

Table-1.1.2

(₹ in crore)

Name of the Departments	Name of the Schemes/ Programmes	Implementing Agency(s)	Amount of funds transferred during the year
Deputy Commissioner	MPs Local Area Development (MPLADS)	Deputy Commissioner Aizawl	12.50
Law and Judicial	Development of Infrastructure Facilities for Judiciary	Mizoram Government	7.05
Total			19.55

Source: Finance Accounts, Government of Mizoram, 2012-13

1.2 Planning and conduct of Audit

Audit process starts with the assessment of risks faced by various Departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls *etc.*

After completion of audit of each unit, Inspection Reports containing audit findings are issued to the heads of the Departments. The Departments are requested to furnish replies to the audit findings within one month of receipt of the Inspection Reports. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these Inspection Reports are processed for inclusion in the Audit Reports, which are submitted to the Governor of State under Article 151 of the Constitution of India.

The audits were conducted during 2012-13 involving expenditure of ₹ 104.04 crore out of the total expenditure of ₹ 1,314.37 crore of the State Government under General Sector. This chapter contains one Performance Audit on 'Functioning of Home (Police) Department' and one Compliance Audit paragraph.

The major observations made in audit during 2012-13 are discussed in the succeeding paragraphs.

PERFORMANCE AUDIT

HOME (POLICE) DEPARTMENT

1.3 Functioning of Home (Police) Department

Highlights

The Mizoram Home (Police) Department is mainly responsible for upholding and enforcing the law impartially, to protect life, liberty, public property, human rights, dignity of the members of the public; to enforce internal security, and prevent crimes. It is the primary responsibility of the Department to modernize and to adequately equip its police forces with the objective of meeting the challenges of law and order and internal security. Performance Audit of functioning of Home (Police) Department revealed certain positive points especially in upholding and enforcing the law impartially, protecting life, liberty and public property by maintaining a significant lower average crime rate in the State against the All India average crime rate. Shortcomings were, however, noticed in planning, irregular parking of funds, retention of heavy cash balances, purchase of stationery items and repairs of vehicles by the Director General of Police/Inspector General of Police (Police Headquarters) as well as heads of District Officers beyond their delegated financial power, besides, irregularities in execution of works.

Some of the significant audit findings are given the following paragraphs:

The Department achieved in maintaining a significant lower average crime rate in the State against the All India average crime rate.

(Paragraph 1.3.14)

Non-submission of Annual Action Plans within the time frame delayed release of Central assistance by GoI thereby adversely affecting the implementation of modernisation of police force scheme.

(Paragraph 1.3.8)

The GoI deducted a Central assistance of ₹ 1.05 crore during 2010-11 due to non-utilisation of the approved outlay in time.

(Paragraph 1.3.8)

An amount of ₹ 36.51 crore was parked under Civil Deposits, besides, retention of ₹ 13.04 crore in cash.

(Paragraphs 1.3.9.3.1 & 1.3.9.3.2)

The Director General of Police and the Heads of District Offices purchased stationery articles worth ₹ 1.72 crore and incurred an expenditure of ₹ 1.54 crore towards repairs of vehicles, beyond the delegated financial limits.

(Paragraphs 1.3.9.5.1, 1.3.9.5.2 & 1.3.9.6)

1.3.1 Introduction

The “Police” and “law and order” are State subjects as per VII Schedule to the Constitution of India. The Mizoram Home (Police) Department is mainly responsible for upholding and enforcing the law impartially, to protect life, liberty, public property, human rights, dignity of the members of the public; to protect internal security, and to prevent crimes.

It is the primary responsibility of the Department to modernize and adequately equip its police forces to meet the challenges of law and order and internal security. The Ministry of Home Affairs (MHA) has been supplementing its efforts and resources from time to time by way of measures *viz.* implementation of the Non-Plan Scheme for Modernization of State Police Forces (MPF).

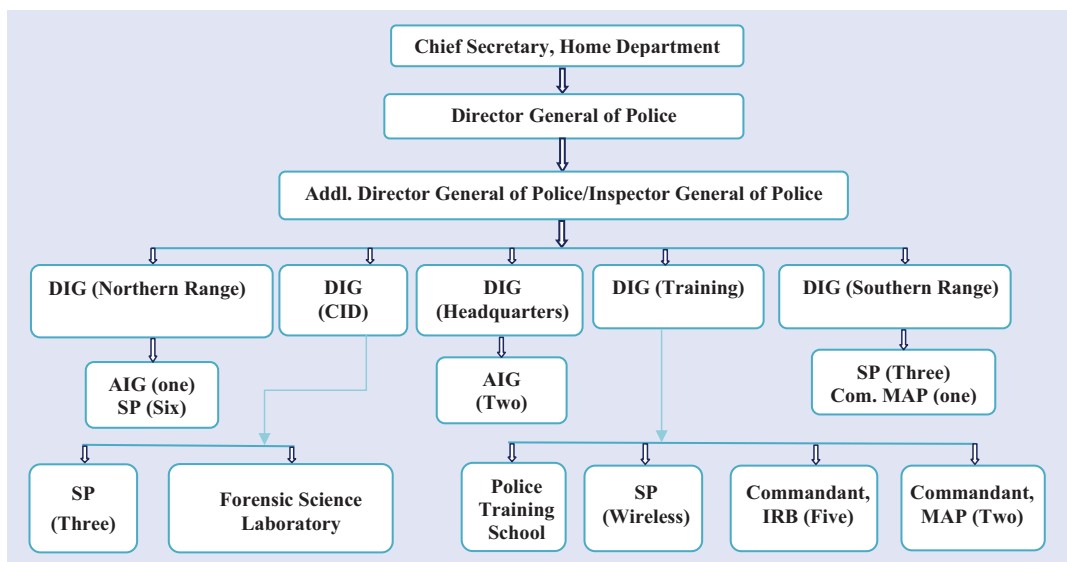
1.3.2 Organisational Structure

The Chief Secretary is the Administrative Head of the Home (Police) Department. Under the Department, the Director General of Police (DGP) is the Commander of the State Police Force as well as the Chief Controlling Officer (CCO) of the Department. He is assisted by one Additional DGP/Inspector General of Police, five Deputy Inspectors General of Police and three Assistant Inspectors General of Police at Police Headquarters’ level in the State. At District level 13 Superintendents of Police, five Commandants of India Reserve Battalion and three Commandants of Mizoram Armed Police to maintain law and order and internal

security. Besides, one Forensic Science Laboratory and one Police Training School have been functioning under the Department.

An organogram of the Department is shown below:

Chart-1.3.1



1.3.3 Scope of Audit

The functioning of the Department for the period 2008-13 was reviewed in audit during May-August 2013 through a test check of the records of the Administrative Head of the Department, Chief Controlling Officer (Director General of Police, PHQ), of the Department and ten¹ District level functionaries who are responsible for implementation of programmes besides holding the charge of Drawing and Disbursing Officers (DDOs). The audit covered an expenditure of ₹ 827.99 crore (54 per cent) out of total expenditure of ₹ 1,528.77 crore incurred by the Department during 2008-13.

1.3.4 Audit Objectives

The objectives of audit were to assess whether:

- the Perspective Plans and Annual Action Plans were designed and aligned in accordance with the Bureau of Police Research and Development (BPR&D) norms;
- the fund flow was adequate and timely and properly utilised;

¹ (i) SP, Lunglei; (ii) SP, Champhai; (iii) SP, Mamit; (iv) SP, Mizoram Police Radio Organisation; (v) Commandant 2nd IRB; (vi) Commandant 4th IRB; (vii) Commandant 5th IRB; (viii) Commandant 1st MAP; (ix) Principal Police Training School; and (x) Joint Director, Forensic Science Laboratory

- the envisaged infrastructure up-gradation met the operational efficiency requirement of Police forces;
- the facilities for training were created and Police forces adequately trained; and
- the monitoring evaluation and internal control mechanism existed.

1.3.5 Audit Criteria

Audit findings were benchmarked against criteria drawn from the following sources:

- BPR&D and Ministry of Home Affairs guidelines on the scheme.
- Perspective Plans and Annual Action Plans.
- Funds released by of GoI and State Government and utilisation there against.
- General Financial Rules, 2005 (being followed by the State Government).
- Central Treasury Rules (being followed by the State Government).
- Central Public Works Department Manual (being followed by the State Government).
- Guidelines, estimates and sanctions orders.
- Prescribed monitoring mechanism.

1.3.6 Audit Methodology

Before taking up the performance audit of functioning of Home (Police) Department, an entry conference was held on 7 May 2013 with the Deputy Secretary of the Administrative Department and Officers from the State Police Head Quarter (PHQ), wherein the audit objectives, scope and criteria were discussed. The Department shared their perception and areas of concerns in the functioning of the Police Organisation. The selection of units was done through simple random sampling basis. The audit methodology also covered field visit by the audit team along with departmental officials for physical verification of assets created. Audit findings were discussed with the Deputy Secretary, Home and other departmental officers in an exit conference held on 29 October 2013 and the replies received from the Government have also been incorporated at appropriate places in the Report.

1.3.7 Acknowledgement

The Indian Audit and Accounts Department acknowledges and appreciates the co-operation rendered by the Police Headquarters and other State level functionaries of the Home (Police) Department during this Performance Audit.

AUDIT FINDINGS

Significant audit findings noticed in course of performance audit of functioning of Home (Police) Department are discussed in the succeeding paragraphs.

Audit Objective: Whether the Perspective Plans and Annual Action Plans were designed and aligned in accordance with the Bureau of Police Research and Development (BPR&D) norms?

1.3.8 Plan Formulation

Proper planning is imperative for achieving the objectives of a programme in a systematic and effective manner. During the years 2008-10, the Department was to formulate Annual Action Plan (AAP) in an *ad hoc* approach for Modernisation of Police Force. As per guidelines (December 2010) of the Modernisation of Police Force (MPF) Scheme, the State Government was required to draw up a five years Strategic Plan (2011-16) and align it with the annual spending programme through Annual Action Plans (AAPs). The Strategic Plan was to identify and analyse the gaps in various components under the scheme. Far from having the Strategic Plan in place, the Department was to adopt the guidelines of previous year for preparation of AAP during 2011-12 and 2012-13 keeping in view that the AAP should comprise of items/projects, which can be completed within the financial year.

In order to implement the programmes for Modernisation of State Police Force, AAPs for the years 2008-13 involving a total outlay of ₹ 59.77 crore was drawn up by the Department. The main areas covered in the AAPs were (i) construction of residential and non-residential buildings; (ii) communication equipments for Police Stations and Outposts; (iii) equipments for Forensic Science Laboratory and Cyber Crime Cell; (iv) security equipments; (v) surveillance equipments for special branch; (vi) procurement of Motor Vehicles and Arms & Ammunitions and (vii) materials for Police Training Schools.

On approval of the State Level Empowered Committee under the chairmanship of the Chief Secretary the AAPs (2008-13) were submitted to the Ministry of Home Affairs (MHA), Government of India (GoI) for approval and release of funds. For the years 2008-12, AAP involving a total outlay of ₹ 48.53 crore were approved by the GoI. AAP for the year 2012-13 was yet to be approved by MHA, GoI. Reasons for non-approval were not on record.

However, Audit observed that there was considerable delay in submission of AAPs for Modernisation of Police Force to MHA, GoI as shown in Table-1.3.1.

Table-1.3.1

Annual Plan	Submission to MHA		Delay (in days)	Date of approval by MHA	Date(s) of release of funds by GoI
	Due date	Actual date			
2008-09	31.12.2007	17.12.2007/29.04.2008 (Revised)	119	08.07.2008	May 2008 to March 2009
2009-10	07.01.2009	02.03.2009/13.03.2009 (Revised)	53 to 64	07.07.2009	June 2009 to March 2010
2010-11	22.01.2010	22.04.2010	89	16.07.2010	July 2010 to March 2011
2011-12	27.12.2010	16.03.2011/11.10.2011 (Revised)	78 to 287	02.01.2012	January 2012 to February 2012
2012-13	15.04.2012	12.10.2012	179	-	March 2013

Source: Departmental records

It can be seen from the above table that the State Government submitted Annual Action Plan with delays ranging from 53 days to 287 days.

Non-submission of AAPs within the time frame delayed the approval and the release of funds by GoI. As a result, there was little time left to utilise the approved outlay in the same year leading to deduction of unspent balance of ₹ 1.05 crore from the funds for 2010-11 by the GoI (eight per cent of total allocation during the year).

Audit noticed that the Strategic Plan (2011-16) submitted (June 2011) by the Department to the MHA, GoI had not been approved till August 2013.

Further, the State Government formulated Annual Plans for the years 2008-13 for construction of residential and non-residential buildings out of State Plan funds approved by the Planning & Programme Implementation Department (State Planning Board) and Grants-in-Aid received from the GoI as per Finance Commission's recommendations.

While accepting the facts, the Government stated (November 2013) that delay in convening the State Level Empowered Committee (SLEC) meeting to approve the AAPs of the State Government led to submission of AAPs beyond time schedule. Further, revised AAPs were submitted as per suggestions of the High Power Committee of GoI. These factors delayed finalisation of AAPs which in turn delayed release of funds and utilisation thereof.

Audit Objective: Whether the fund flow was adequate and timely and properly utilised?

1.3.9 Financial Management

1.3.9.1 Financial Management: Preparation of Budget

The State Government has no Budget Manual of its own for formulating budget estimates by the respective Departments. The PHQ follows the procedures prescribed in General Financial Rules for formulating budget proposals. Audit scrutiny of records of the PHQ and test checked Districts revealed that Budget Estimates (BEs) on Non-Plan expenditure containing salary,

office expenses *etc.* were prepared after consolidating the detailed estimates/data received from each of the DDOs. However, Budget estimates on Plan expenditure were prepared after receiving Plan allocation of respective years from the Planning & Programme Implementation Department (State Planning Board).

1.3.9.2 Budget outlay and expenditure

The year-wise budget provision *vis-a-vis* expenditure incurred there against by the Directorate of Police during 2008-13 is shown in Table-1.3.2 below:

Table-1.3.2

(₹ in crore)

Year	Section	Final Grant			Actual Expenditure			Excess(+)/ Savings (-)
		Plan	Non-Plan	Total	Plan	Non-Plan	Total	
2008-09	Revenue	0.10	213.90	214.00	0.10	214.01	214.11	(+)0.11
	Capital	3.75	0.66	4.41	0.22	0.78	1.00	(-) 3.41
	Total	3.85	214.56	218.41	0.32	214.79	215.11	(-) 3.30
2009-10	Revenue	--	261.89	261.89	--	263.10	263.10	(+) 1.21
	Capital	6.14	--	6.14	2.31	--	2.31	(-) 3.83
	Total	6.14	261.89	268.03	2.31	263.10	265.41	(-) 2.62
2010-11	Revenue	--	337.75	337.75	--	337.67	337.67	(-) 0.08
	Capital	8.82	5.66	14.48	8.79	0.97	9.76	(-)4.72
	Total	8.82	343.41	352.23	8.79	338.64	347.43	(-) 4.80
2011-12	Revenue	--	320.77	320.77	--	321.00	321.00	(+) 0.23
	Capital	5.29	--	5.29	7.73	--	7.73	(+)2.44
	Total	5.29	320.77	326.06	7.73	321.00	328.73	(+) 2.67
2012-13	Revenue	17.02	369.72	386.74	8.50	358.90	367.40	(-)19.34
	Capital	4.69	-	4.69	4.69	-	4.69	-
	Total	21.71	369.72	391.43	13.19	358.90	372.09	(-)19.34
Grand Total		45.81	1510.35	1556.16	32.34	1496.40	1528.77	(-)27.39

Source: Detailed Appropriation Accounts and figures (2012-13) from PHQ

It can be seen from the Table-1.3.2 that there were persistent savings ranging from ₹ 2.62 crore to ₹ 19.34 crore during 2008-13 with the exception of 2011-12. The Department failed to surrender the anticipated savings in time.

1.3.9.3 Drawal of fund to avoid lapse of budget grants

According to Rule 290 of the Central Treasury Rules, Volume-I, which is being followed by the State Government, no money should be drawn unless it is required for immediate disbursement. Also, as per the said Rule, no money should be drawn at the end of the year to avoid lapse of budget grants.

1.3.9.3.1 Parking of fund in Civil Deposits

It was noticed that contrary to the Rule referred to above, to avoid the lapse of budget grants, the DDO of the Police Headquarter had drawn an amount aggregating to ₹ 36.51 crore in

the month of March during the years 2010-11 to 2012-13 and deposited the same under '8443-Civil Deposits'. The fund drawn was meant for the purpose of infrastructure development, purchase of equipment and vehicles *etc.* under Modernisation of Police Force scheme and also for rehabilitation of Bru migrants. Out of ₹ 36.51 crore retained in Civil Deposits, an amount of ₹ 28.43 crore was withdrawn in subsequent years, leaving a balance of ₹ 8.08 crore as of August 2013. An analysis of the balances retained in Civil Deposits revealed that an amount of ₹ 1.25 crore, ₹ 0.14 crore and ₹ 6.69 crore (total ₹ 8.08 crore) was pertaining to the Civil Deposits in March 2011, 2012 and 2013 respectively, as per details shown in the **Appendix-1.3.1**.

Thus, drawal of funds without any requirement for immediate disbursement and retention of same in the Civil Deposits for a prolonged period was irregular and bound to have an adverse impact on implementation of the scheme.

While accepting the facts, the Government assured (November 2013) that the Department will comply with the rules in the future.

1.3.9.3.2 Retention of heavy cash balances

Scrutiny of the Cash Book maintained by the DDO of PHQ disclosed that without any requirement for immediate disbursement, the DDO had drawn an amount totalling to ₹ 13.04 crore during the end of March 2009 to 2013 to avoid the lapse of budget grants and retained the same in cash. The cash balances were disbursed beyond the concerned financial years within a period that ranged between one month and 24 months. Details of drawls and disbursements are shown in the **Appendix-1.3.2**.

Thus, the drawal of funds without any requirement for immediate disbursement and retention of same in cash was irregular and indicates poor financial management by the CCO/DDO of the Department. This is also fraught with the risk of temporary misappropriation.

While accepting the facts, the Government stated (November 2013) that the Department is committed to take action accordingly.

1.3.9.4 Rush of expenditure

Based on the budget allocation, funds are to be released to the respective DDOs on quarterly basis. The General Financial Rules (GFR) also provide that expenditure against the budgetary provision should be evenly phased over the financial year so as to avoid rush of expenditure in the last quarter of the financial year.

The details of Plan expenditure incurred quarterly and in the closing month of the financial year during 2008-13 by the Department are given below in the following Table-1.3.3:

Table-1.3.3

(₹ in crore)

Year	Total Expenditure (Plan)	Expenditure during first three quarters (Percentage)	Expenditure during last quarter (Percentage)	Expenditure in March (Percentage)
2008-09	5.74	1.76 (31)	3.98 (69)	0.78 (14)
2009-10	8.25	4.35 (53)	3.90 (47)	0.76 (9)
2010-11	37.51	12.29 (33)	25.22 (67)	19.83 (53)
2011-12	17.83	5.79 (32)	12.04 (68)	10.49 (59)
2012-13	18.34	1.61 (9)	16.73 (91)	11.23 (61)
Total	87.67	25.80	61.87	43.09

Source: Departmental records

An analysis of the above expenditure incurred by the DDOs of the Department revealed that contrary to the financial norms, the expenditure incurred by the DDOs during the last quarter under Plan sector range between 47 and 91 *per cent* of the total expenditure during the period 2008-13. The expenditure in the month of March constituted 53 to 61 *per cent* of the total expenditure during the years 2010-11 to 2012-13.

Thus, the expenditure against the budgetary allocations was not evenly phased over the financial years leading to rush of expenditure in the last quarter of the financial year which is indicative of imprudent financial resource management and lack of proper control in utilisation of funds.

In its reply (November 2013), the Government was silent on the reasons for incurring huge expenditure in the last quarter of the financial year.

1.3.9.5 Purchase beyond delegated financial power

As per Delegation of Financial Powers (DFP) Rules, 1978, as amended, the Director General of Police, PHQ may accord expenditure sanction for local purchase of stationery stores limited to ₹ 20,000 *per annum* (₹ 40,000 *per annum* from September 2011 onwards) while the Superintendent of Police/Commandant of the Battalion may accord expenditure sanction limited to ₹ 10,000 *per annum* (₹ 30,000 *per annum* from September 2011 onwards). The expenditure sanction by the Joint Director, Forensic Science Laboratory was restricted to ₹ 10,000 *per annum* (₹ 15,000 *per annum* from September 2011 onwards).

1.3.9.5.1 Police Headquarter Level

Test check of the records of the Director General of Police (DGP), PHQ revealed that the DGP/Inspector General of Police (IGP) accorded expenditure sanctions in excess of their delegated annual financial limits towards purchase of stationery items during 2008-13 in

violation of the prescribed procurement procedures. The year-wise expenditure incurred by the DDO of the PHQ against expenditure sanction orders of the DGP/IGP are shown below in Table-1.3.4:

Table-1.3.4

Year	No. of sanction orders issued	Amount of each sanction order varies (in ₹)		Expenditure (₹ in lakh)
		From	To	
2008-09	126	297	27296	13.89
2009-10	96	313	372020	17.34
2010-11	102	320	20000	16.73
2011-12	112	100	39960	13.38
2012-13	51	4270	29960	10.35
Total	487	--	--	71.69

Source: Departmental records

The expenditure of ₹ 70.38 lakh incurred beyond the delegated of financial power of the DGP/IGP required *ex-post-facto* expenditure sanction of the Government, which was not obtained (August 2013).

While accepting the facts, the Government stated (November 2013) that *ex-post-facto* sanction in respect of excess expenditure was being obtained.

1.3.9.5.2 District Level

Test check of the records of the 10 units (Superintendent of Police: 4, Commandant of I.R. Battalion: 3, Commandant of Mizoram Armed Police: 1, Police Training School: 1 and Forensic Science Laboratory: 1) at four sample Districts revealed that violating the prescribed procedures, the concerned Head of the Offices also accorded expenditure sanctions towards purchase of stationery totalling to ₹ 1.10 crore during 2008-13. The year-wise expenditure (ranged between ₹ 35 lakh and ₹ 1.26 lakh) incurred by the 10 DDOs against expenditure sanction issued by the Head of the Offices are shown in **Appendix-1.3.3**.

The expenditure of ₹ 1.02 crore incurred beyond the delegated financial power of the Head of the Offices required *ex-post-facto* expenditure sanction of the Government which was not obtained (August 2013).

Thus, procurement of stationery stores beyond the delegated power by the Director General of Police and Head of the 10 Offices reflects laxity in control over the expenditure incurred by the DDOs.

While accepting the facts, the Government stated (November 2013) that *ex-post-facto* sanction in respect of excess expenditure was being obtained.

1.3.9.6 Expenditure in excess of permissible financial limits

As per Delegation of Financial Powers Rules, 1978, as amended, the Director General of Police may accord expenditure sanction of ₹ 30,000 *per annum* (₹ 50,000 *per annum* from September onwards) for maintenance, upkeep and repairs of each vehicle while the expenditure sanction by the Superintendent of Police (SP)/Commandant of the Indian Reserve Battalion and Mizoram Armed Police and Principal of Police Training School was limited to ₹ 7,500 *per annum* (₹ 20,000 *per annum* from September 2011 onwards) for each vehicle. The Joint Director, Forensic Science Laboratory may accord expenditure sanction of ₹ 7500 *per annum* (₹ 15000 *per annum* from September 2011 onwards) for each vehicle.

Scrutiny of the records of 11 DDOs (Director General of Police/Inspector General of Police, four Superintendent of Police, three Commandant of I.R Battalion, one Commandant of Mizoram Armed Police, Principal, Police Training School and Joint Director, Forensic Science Laboratory) revealed that all the 11 DDOs accorded expenditure sanctions of ₹ 180.91 lakh towards repairs of 437 vehicles during 2008-13, against the admissible financial limit of ₹ 60.65 lakh, which exceeded the annual financial limit by ₹ 120.26 lakh.

The year wise excess expenditure of ₹ 120.26 lakh incurred by the head of the offices for repairs of vehicles are shown in **Appendix-1.3.4**.

The excess expenditure required *ex-post-facto* expenditure sanction of the Government, which was not obtained (August 2013).

Thus, repairs of vehicles in excess of financial power indicated not only violation of the provisions of the prescribed financial rules but also laxity in operational and expenditure control by the CCO.

While accepting the facts, the Government stated (November 2013) that the *ex-post-facto* sanctions in respect of excess expenditure was under process.

Audit Objective: Whether the envisaged infrastructure up-gradation met the operational efficiency requirement of Police forces?

1.3.10 Infrastructure up-gradation

1.3.10.1 Construction of Buildings

In order to develop infrastructure and to cater to the basic needs of police personnel, works *viz.* construction of office buildings, sentry posts, play grounds, check gates, security fencing, staff quarters, barracks *etc.* are executed by the PHQ and Public Works Department (PWD) out of funds received from the GoI for Modernisation of Police Force besides State funds and Grants-in-Aid for State specific needs as per Finance Commission's Recommendations.

Proposals for works are received from the Districts/Field level offices for execution by the PHQ/PWD.

The execution of works by the PHQ is looked after by the Engineering Cell headed by one Executive Engineer (EE). He is assisted by one Assistant Engineer (AE) and two Junior Engineers (JE) During the period 2008-13, the Engineering Cell executed 116 works with the total cost of ₹ 15.75 crore (GoI fund: ₹ 9.87 crore + State Plan fund: ₹ 5.88 crore). Of these, 104 works at an estimated cost ranging from ₹ 2 lakh to ₹ 30 lakh (total sanctioned cost: ₹ 15.16 crore) were executed through the contractors and the remaining 12 works at an estimated cost ranging from ₹ 0.40 lakh to ₹ 8.62 lakh (total sanctioned cost: ₹ 0.64 crore) were executed departmentally by the Engineering Cell.

Records of execution of 49 works (42 per cent) and payment of ₹ 9.75 crore (62 per cent) were test checked in audit. These works were completed within the sanctioned cost but with time overruns ranging between one and four months in respect of 12 works. The remaining 67 works were also completed within the sanctioned cost but with time overruns ranging from one to six months in respect of 10 works.

Shortcomings in execution of works noticed in audit are spelt out below.

1.3.10.1.1 Award of work without call of tenders

Para 14.1 of Central Public Works Department (CPWD) Works Manual, 2007 (which is being followed by State Government) provides that tenders should be called for all works costing more than ₹ 50,000 except in urgent cases, or when the interest of works demands in which works may be awarded by the Executive Engineer (EE) without call of tenders after approval of the competent authority.

Further, the State Government, Finance Department in their notification (August 2002, March 2010 and March 2013) reiterated that works shall commence after inviting tenders and selection of contractors in accordance with General Financial Rules, 2005.

Scrutiny of the records revealed that the Director General of Police, PHQ awarded 104 works valued at ₹ 15.16 crore² to contractors during 2009-12 without calling tenders for execution of works viz. construction of office buildings, sentry posts, check gates, staff quarters, barracks, play grounds etc., although none of the works can be considered to be an urgent nature.

The year wise work orders issued are shown Table-1.3.5 below:

² MPF : ₹ 7.77 crore + State Plan : ₹ 5.93 crore + TFC : ₹ 1.46 crore = Total : ₹ 15.16 crore

Table-1.3.5

Year	No. of works	Value of Work order (₹ in lakh)		Amount (₹ in lakh)
		From	To	
2010-11	51	2.00	29.60	5.85
2011-12	30	9.49	30.00	5.28
2012-13	23	9.24	30.00	4.03
Total	104	20.73	89.60	15.16

Source: Departmental records

Reasons for issue of these work orders without calling of tenders were not on record.

Thus, the action of the DGP, PHQ was in violation of the codal provisions for execution of works and also against the interest of the Department as the benefit of competitive rates from the bidders and quality of works through tendered process could not be assured or availed of.

While accepting the facts, the Government stated (November 2013) that as the Administrative Approvals and Expenditure Sanctions for execution of works were accorded between September and March of the year, the department could not process for calling of tenders for execution of works due to shortage of manpower in Engineering Cell of Police Headquarters.

1.3.10.1.2 Execution of works by Public Works Department

The Department through budgetary transfer allocated funds of ₹ 42.51 crore at the disposal of Public Works Department (PWD) during 2008-13 for construction of office buildings and residential quarters as included in Approved Annual Plans (2008-13).

Scrutiny of the Physical and Financial Progress Reports ending March 2013 of four working Divisions under the PWD revealed that 83 works were sanctioned at a cost of ₹ 42.64 crore. Of these 54 works (65 per cent) were completed at an expenditure of ₹ 21.60 crore, 26 works were in progress after incurring an expenditure of ₹ 8.95 crore and the balance three works amounting to ₹ 1.88 crore (2010-11 : ₹ 1.22 crore + 2012-13 : ₹ 0.66 crore) were not taken up as of March 2013.

Non-commencement of three works by the concerned PWD Divisions was due to lack of regular pursuance/monitoring by the client (Police) Department.

In its reply (November 2013), the Government was silent about the audit observations on lack of regular pursuance/monitoring by the client Department.

1.3.10.2 Housing infrastructure

The Bureau of Police Research & Development (BPR&D) Organisation in its five year projection in modernisation and up-gradation of police infrastructure opined (March 2000)

that the performance of the police was better in States where residential accommodation was available in large number. The National Police Commission (NPC) also recommended housing accommodation for all police personnel in the States with special emphasis for lower and upper subordinates.

Test check of the records of the selected seven units (SPs of three Districts and Commandant of four Battalions) revealed that against the actual staff strength (lower and upper subordinates) of 3,041 personnel only 623 quarters (constituting 20 *per cent*) were provided residential accommodation as per details in the Table-1.3.6 given below:

Table-1.3.6

Sl. No.	Name of Districts/ Battalions	Group	Actual Strength	No. of personnel provided with accommodation	Percentage of providing accommodation
1.	Lunglei (SP, PS & OP)	Lower Subordinates ³	236	102	43
		Upper Subordinates ⁴	49	25	51
2.	Champhai (SP, PS & OP)	Lower Subordinates	136	26	19
		Upper Subordinates	25	14	56
3.	Mamit (SP, PS & OP)	Lower Subordinates	120	45	38
		Upper Subordinates	29	22	76
4.	Commandant 1 st Bn. MAP	Lower Subordinates	629	202	32
		Upper Subordinates	33	39	100
5.	Commandant 2 nd I.R Bn.	Lower Subordinates	572	46	8
		Upper Subordinates	30	7	23
6.	Commandant 4 th I.R Bn.	Lower Subordinates	616	-	0
		Upper Subordinates	28	7	25
7.	Commandant 5 th I.R Bn.	Lower Subordinates	505	75	15
		Upper Subordinates	33	13	39
Total			3041	623	20

Source: Departmental records

Thus, with reference to the opinion of the BPR&D, shortages in housing infrastructure was bound to adversely impact on the performance of the Police.

While accepting the facts, the Government stated (November 2013) that the shortage of housing accommodation was mainly due to financial constraint.

1.3.10.3 Transport facilities (Mobility)

Mobility is vital to the efficient performance of the police force. Increased mobility reduces the response time and enhances operational efficiency of the forces to face the challenges to internal security duties. The BPR&D has prescribed scales for various types of operational vehicles required for District police force, District Armed Police and Armed Reserved Battalion.

³ Lower Subordinates (Constables and Head Constables)

⁴ Upper Subordinates (Assistant Sub-Inspectors, Sub-Inspectors and Inspectors)

Against the approved (2008-12) outlay of ₹ 11.84 crore for providing transport facilities (mobility), expenditure during the period (2009-13) was ₹ 11.55 crore⁵ under Modernisation of Police Force Scheme. The requirement of vehicles for the police force as per norms and actual position in the seven test-checked units as of March 2013 are shown in the Table-1.3.7:

Table-1.3.7

Units	Type of Vehicles	Total Vehicle		Excess (+) Shortage (-)
		Required	Available	
Commandant of Battalions (Four)	Heavy	16	12	(-) 4
	Medium	52	46	(-) 6
	Light	54	39	(-) 15
	Motor Cycle	16	12	(-) 4
S.P (Three)	Heavy	1	4	(+) 3
	Medium	15	11	(-) 4
	Light	27	21	(-) 6
	Motor Cycle	26	4	(-) 22
Police Stations (14)	Medium	-	1	(+) 1
	Light	17	15	(-) 2
	Motor Cycle	17	15	(-) 2
Police Outposts (Four)	Light	4	1	(-) 3
	Motor Cycle	4	4	-
Total		249	185	(-) 64

Sources: Departmental records

In spite of sizeable procurement of vehicles during the last nine years under the MPF Scheme, still there was deficiency level of 26 per cent vehicles in the police forces under seven test checked units. The scene may not be different in remaining units of the State.

Thus, the shortage of transport facilities in the district police forces especially at Police Station Level is bound to have an impact on police mobility, which in turn would have a bearing on response time during law and order situations and prosecution of crime.

The Government in its reply stated (November 2013) that the deficiency level of vehicles in the police forces was due to condemnation of vehicles.

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	(In number)	(₹ in crore)
Heavy Vehicle	2	0.30
Medium Vehicle	21	1.56
Light Vehicle	72	5.00
Motor Cycle	65	0.40
Total	160	7.26
Equipments and Maintenance		4.29
Total		11.55

1.3.10.4 Weaponry

1.3.10.4.1 Shortfall in supply of weaponry

One of the important aspects of modernisation and up-gradation of police force is the scale of weapons as per BPR&D norms which the police force has to be equipped with. Against the approved outlay of ₹ 4.49 crore for procurement of arms and ammunitions during 2008-12, expenditure incurred by the Department during the period (2008-13) was ₹ 4.26 crore under Modernisation of Police Force (MPF) Scheme.

Scrutiny of the records of three test checked Superintendents of Police of three Districts (Lunglei, Mamit and Champhai) having international borders (*viz.* Lunglei and Mamit having border with Bangladesh and Champhai having border with Myanmar) revealed that during 2008-13, the required weaponry was not supplied to 14 Police Stations and four Police Out Posts. Details of shortfall ranged between 32 and 100 *per cent* in the three test checked Superintendent of Police offices in the Districts as given in Table-1.3.8:

Table-1.3.8

(In numbers)				
Location	Component	Requirement	Supply/ Holding	Less (percentage)
14 Police Stations	9 mm Pistol/.38 Revolver	93	42	51 (55)
	.410 Musket/7.62 Bolt Action	66	45	21 (32)
	12 Bore Action Gun	28	-	28 (100)
	Truncated .303" Rifle for rubber/ plastic bullet	27	2	25 (93)
	37/38mm Tear Gas Gun	3	1	2 (67)
	Very light Pistol	11	-	11 (100)
4 Police Out Posts	9mm Pistol/.38 Revolver	13	4	9 (69)
	.410 Musket/7.62 Bolt Action	11	-	11 (100)
	12 Bore Action Gun	8	-	8 (100)
	Truncated .303" Rifle for rubber/ plastic bullet	8	-	8 (100)
	Very light Pistol	4	-	4 (100)

Source: Departmental records

Thus, the objective of Modernisation of Police Force in equipping the police forces with adequate weaponry remains unfulfilled.

The Government in its reply (November 2013) stated that the modernisation of police force is a continuous process and the procurement and supply of weapons to the police stations and outposts are being made gradually to achieve the BPR&D norms. The State Government also added that the weapons were provided to the police stations and outposts based on the prevailing law and order situations of the places.

1.3.11 Forensic Science Laboratory

The Modernisation of Police Force scheme envisages development of infrastructure for improving quality of crime investigation and strengthening the forensic science. There is

only one Forensic Science Laboratory (FSL) in Mizoram which was established in 1998 to provide scientific support and service for investigation of crimes. The main functions of FSL are (i) visiting scene of crimes and aiding the Investigating Officer in the detection and collection of evidences, reconstruction of crime scenes and furnishing crime scene examination report; (ii) scientific examinations of exhibits/samples received at the laboratory and generation of reports and (iii) providing expert opinion in the court of law.

During 2008-12, the Department procured various equipment *viz.* Genetic Ion Chromatograph Analyser, Accelerated Solvent Extraction System, Automatic Distillation System *etc.* at a cost of ₹ 1.76 crore out of MPF fund to upgrade the infrastructure of the lone FSL in the State for scientific and effective investigation of criminal cases.

1.3.11.1 Delay in processing of reports by the Forensic Science Laboratory

Forensic examination of the samples/exhibits are required to be carried out in a time-bound manner and the forensic investigation reports are to be provided expeditiously to assist the investigation and prosecuting agencies. The FSL is committed to generate expert reports on crime cases within 30 days of receiving the samples for investigation.

The position with regard to forensic investigation carried out by different divisions of FSL during period 2008-13 is given in the following Table-1.3.9:

Table-1.3.9

Year	Back log of previous year	No. of cases received	Total cases	No. of cases examined	Time taken for examination (in days)			No. of pending cases
					Within 30	30-45	45-60	
2008-09	-	169	169	167	110	57	-	2
2009-10	2	311	313	297	181	109	7	16
2010-11	16	338	354	329	210	111	8	25
2011-12	25	448	473	399	230	113	56	74
2012-13	74	811	885	805	366	397	42	80
Total	117	2077	2194	1997	1097	787	113	197

Source: Information furnished by the Joint Director, FSL

An analysis of the above Table indicates that 1,997 samples were taken up for forensic analysis during 2008-13, out of which 1,097 samples (55 *per cent*) were examined and reports were provided within 30 days. In respect of 787 samples (39 *per cent*) the delay in providing the reports was up to 15 days and in respect of remaining 113 samples (six *per cent*), the delay ranged between 15 and 30 days.

Thus, delay in providing forensic reports is bound to impact timely completion of the process of investigation and prosecution.

The Government in its reply stated (November 2013) that the analysis of samples in FSL could not be completed within the stipulated period due to shortage of technical staff and procurement of chemicals from outside the State. The reply of the Government is not tenable because the Police Department should have made available the required complement of skilled manpower for effective functioning of lone forensic laboratory in the State which handles the bulk of task of forensic investigation.

Audit Objective: Whether the facilities for training were created and Police forces adequately trained?

1.3.12 Human Resource Management

1.3.12.1 Training

Training is inculcation of knowledge and professional skill required for the performance of duty by the police forces and to keep pace with fast growing challenges.

The Department had established (1973) one Police Training School (PTS) in the State for imparting professional training to the police personnel *viz.* Basic Course, Refresher Course, Orientation Course, Cadre Course, Promotion Course, Commando Course *etc.* through 113 faculty members.

Further, as per the BPR&D, any police personnel, at the time of recruitment or later, was likely to use various weapons must have minimum practice as per prescribed scale.

Scrutiny of the records of the PTS revealed that during the period covered under Audit, altogether 3,639 lower and upper subordinate police personnel attended training courses in the PTS for undergoing professional training and practices to use weapons.

Further, the position of weapon-wise prescribed scale of practice per person and practice actually given per trainee by the PTS during 2008-13 is given in the Table-1.3.10:

Table-1.3.10

Name of weapon	Prescribed scale of practice per person (in rounds)	Practice actually given per trainee (in rounds)	Short fall (in rounds)	Percentage of shortfall
9 mm Pistol	40	19	21	53
AK-47 Rifle 7.62x39mm	50	14	36	72
303" Rifle	40	20	20	50
S.L Rifle 7.62x51mm	40	19	21	53
AK Rifle/ 5.56mm INSAS	50	24	26	52

Source: Departmental records

The above Table shows that shortfall in the practice of weaponry against the prescribed scale ranged between 50 and 72 *per cent*.

The above shortfall in imparting practice of weaponry indicates ineffective functioning of the PTS, which is likely to affect the efficiency and striking ability of the police force during exigencies.

While accepting the facts, the Government stated (November 2013) that due to financial constraint, funds could not be allocated for purchase of ammunitions required for the above practice. However, during 2013-14, fund for purchase of ammunitions has been arranged to improve the situation.

1.3.12.2 Low enrolment of women in Police force

The MHA, GoI through its Advisory Note (September 2009) requested the State Governments to undertake a comprehensive review of the effectiveness of the police machinery in tackling the problem of women and to take appropriate measures aimed at increasing the responsiveness of the law and order machinery so that the women feels secure, enjoy their human rights and live with dignity. The Second Administrative Reforms Commission in its fifth report (June 2007) titled 'Public Order' also emphasized the need to combat crimes against vulnerable sections of the society, particularly women and children and had given a number of important recommendations which included the overall representation of women to be increased up to 33 *per cent* of the total police forces in the State.

An analysis of the manpower position of police personnel in the State during 2012-13 revealed that against the total available 10,836 police personnel in the State the representation of women in the police force was only 834 personnel, *i.e.* eight *per cent* only, which was far below the desirable level of 33 *per cent* to combat crimes against vulnerable sections of the Society.

While accepting the facts, the Government stated (November 2013) that the proposal for increase of women in police force was under consideration.

Audit Objective: Whether the monitoring, evaluation and internal control mechanism existed?
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1.3.13 Crime rate in the State

Crime is a major threat to individuals, public tranquillity and security of the society. Decrease in incidence of crime indicates the better performance of police force.

Scrutiny of records of the Criminal Investigation Department for the year 2008 to 2012 in respect of (A) Response Time, (B) Category of Crimes and (C) No. of cases solved/prosecution rate revealed the following position:

(A) Response Time

The response time taken by the police force within the town/city areas was between zero and two hours and one to six hours in the case of remote areas, where police outpost was not available.

(B) Category of crimes

Under Indian Penal Code (IPC) and Special & Local Laws (SLL), 13,667 cases (IPC : 9,797 + SLL: 3,870) were registered, against which charge sheet/final report were framed for 13,641 cases (IPC: 9,771 + SLL: 3,870), leaving a balance of 26 cases.

(C) No. of cases solved/prosecution rate

As against the trial of 12,301 cases (IPC: 8,396 + SLL: 3,905) the Hon'ble Court convicted 11,144 cases (IPC: 8,396 + SLL: 3,905) in the range between 82 and 98 *per cent*.

Further, as per the publication of the National Crime Records Bureau (NCRB) crime rate of the State during 2008 to 2012 was significantly lower (47 to 52 *per cent*) than the All India Average as shown in Table-1.3.11:

Table-1.3.11

Year	Incidents of crime in the State	Average State rate	All India average	Difference (percentage)
2008	2681	272.40	514.90	242.50 (47)
2009	2789	280.00	570.80	290.80 (51)
2010	3006	298.20	569.30	271.10 (48)
2011	2729	250.10	516.70	266.60 (52)
2012	2463	225.72	Not available	Not available

Source: Crime in India published by NCRB

Thus, the significantly lower average crime rate in the State against the All India average crime rate reflects the maintenance of better law and order situation in the State.

1.3.14 Inspection and Monitoring of the scheme

Mizoram Police Manual provides for periodic inspections of District Offices, Police Stations, Police Outposts and Armed Battalions by the DGP, IGP or Deputy IGP and maintained three Inspection Registers for formal, informal and cursory inspections. But no such registers were found maintained by the PHQ. In the absence of the inspection registers, the details of actual inspection carried out by the executives and the follow-up action by the subordinate officers could not be ascertained in audit.

In accordance with the GoI's instructions, the State Government constituted (March 2001) a State Level Empowered Committee (SLEC) under the Chairmanship of the Chief Secretary of the State to monitor the implementation of MPF scheme. The Committee was required to

meet every month and ensure proper implementation of the programme. However, the PHQ failed to produce the records regarding monitoring of the implementation of the programme by the Committee during 2008-13 to audit, as such actual monitoring of the MPF Scheme by the SLEC could not be ascertained in audit.

While accepting the facts, the Government stated (November 2013) that the Department will take action for arranging SLEC meeting to ensure proper implementation of MPF scheme.

1.3.15 Internal audit Mechanism

Internal audit is an indispensable requirement for evaluating the efficiency and effectiveness of the internal controls and procedures in the Department in the implementation of various programmes. Although one Deputy Director, Accounts was in position in the PHQ, exercise of financial controls was conspicuously lacking.

The Chief Controller of Accounts (CCA), Mizoram is responsible for conducting internal audit of the accounts of the Department. During the years 2008-13, CCA could not conduct any internal audit of offices under Home (Police) due to shortage of staff in internal audit wing. The Home (Police) also does not have an internal audit wing of its own. The absence of internal audit in the Department is contrary to sound financial management practices which facilitated purchase of stationery articles and repairs of vehicles beyond the financial powers, execution of construction works by the EE, PHQ without obtaining technical sanction from the SE/CE (building) and payments to contractors without inspection of works at appropriate level.

1.3.16 Conclusion

The main objectives of the Police to uphold and enforce the law impartially, to protect life, liberty and public property have been largely achieved by the State Home (Police) Department by maintaining a significant lower average crime rate in the State against the All India average crime rate. However, this review has brought out some significant findings which must be addressed by the Department. A number of instances noted in audit indicate cases of violation of established norms and guidelines in implementing various programme at the Police Headquarters' (PHQ) and District/DDO level functionaries test checked in this review. In the area of planning, it was noted that there was an inordinate delay in submission of Annual Action Plans (AAPs) for Modernisation of Police Force Scheme to the MHA, which led to delay of approval of the AAPs and release of fund by the MHA. As a result, there was little time left to utilise the approved outlay in the same year leading to deduction of unspent balance of ₹ 1.05 crore from the funds for 2010-11 by the GoI. The Department exhibited poor capacity in absorption of available financial resources as indicated by recurring savings and parking of huge fund in '8443 Civil Deposits' and retention of heavy cash balances in each successive year. The expenditure to the tune of 46 to 91 *per cent* was incurred in the last quarter of each year. Lack of financial controls was clearly evident from the sanction orders issued in excess of financial powers by the head of

the offices both at PHQ and Units for purchase of stationery articles and repairs of vehicles. In implementation of housing infrastructure development, 47 works were executed by the PHQ without obtaining technical sanction of the estimates from the appropriate technical authorities (Chief Engineer/Superintending Engineer of Public Works Department). Further, out of 116 works, 104 works (Sanctioned cost : ₹ 15.16 crore) were executed by the PHQ through the contractors without call of tender and final payments were released to the contractors without recording completion certificates after inspection of works by the AE/EE. Absence of regular pursuance/monitoring of Deposit Works by the PWD, resultant delay in commencement of works, were also noticed. Deficiencies in conducting training in weaponry indicated ineffective functioning of the PTS affecting the efficiency and striking ability of the police force during exigencies.

1.3.17 Recommendations

- The annual action plan should be submitted to the Ministry of Home Affairs within the prescribed time frame.
- Utilisation of the allocated funds as per the approved annual action plan should be ensured through proper monitoring by the State level Empowered Committee.
- Purchase of stationery articles and repairs of departmental vehicles beyond the delegated financial powers should be resorted to only after obtaining expenditure sanctions from the competent authority.
- Works should be executed after calling for tenders from the bidders in order to avail the benefit of competitive rates and the completed works should be inspected at appropriate level to ensure the quality parameters.
- Timely commencement/completion of deposit works by the Public Works Department must be ensured through regular persuasion and monitoring.
- The practice of modern weaponry amongst the police force must be upgraded as per prescribed scales.
- Monitoring mechanism both at the level of PHQ and Government should be made effective.

COMPLIANCE AUDIT PARAGRAPH

DISTRICT COUNCIL AFFAIRS DEPARTMENT

1.4 Unfruitful expenditure

The Council incurred an unfruitful expenditure of ₹ one crore towards off-season procurement and distribution of seed potato, which did not yield any benefit to the farmers.

As per climatic, temperature and soil conditions, Potato can be sowed in Mizoram in two seasons *viz.* January - February and October - November. In Lai Autonomous District Council (LADC) areas farmers usually opt for the first sowing season *i.e.* January - February. The requirement of seed potato is five to seven quintal *per* acre and expected yield, as per Government norms, is 40 quintals *per* acre.

Scrutiny (June 2012) of the records of the LADC revealed that during the financial year 2010-11, although the season for Potato sowing ended in February 2011, the Government of Mizoram (GoM) released (29 March 2011) an amount of ₹ one crore for purchase of Potato Seeds, for its cultivation by the farmers in LADC Area. Accordingly, the Agriculture Department of the Council purchased 2,500 quintals of seed potato worth ₹ one crore from a Guwahati (Assam) based supplier and distributed (free of cost) the entire quantity to 544 farmers (four to five quintals each farmer) at the end of March 2011 for cultivation in 357 acres.

As per Department of Horticulture, GoM, the average expected yield was 40 quintals *per* acre with utilisation of five to seven quintals of seeds *per* acre. It was, however, noticed that the actual yield was only about six to seven quintals *per* acre. Thus, against a total expected yield of 1,428 tonnes ((@ 40 quintals *per* ha for 357 acres) Potato, the actual yield was 250 tonnes maximum (seven quintals *per* acre), which was 17.50 *per cent* of the expected yield.

In course of a Joint Inspection conducted by Audit in the presence of Council's Horticulture Officer, most of the beneficiaries affirmed that they were able to produce only six to seven quintals of potato approximately in one acre. The farmers attributed the delay in receipt of seed potato as the reason for low production.

Thus, off-season procurement and distribution of seed potato to the farmers under the Council's Area could not yield the desired benefit, and as a result large portion of expenditure (₹ 82.50 lakh) incurred on procurement of seed potato remained unfruitful.

The matter was reported to the Government in September 2013; and their reply is awaited (February 2014).