

Chapter-5 Scheme/Programme Management

Objective III: To assess whether Scheme/Programme management were carried out efficiently and effectively in an economic manner.

The Department implemented various Schemes/Programmes/Projects, Centrally Sponsored as well as under State Plan. Of these, major schemes/projects implemented during the period 2008-13 were taken up for detailed analysis and joint physical verification. The schemes/projects covered in audit are shown in *Appendix III*. The important audit findings are discussed in the following paragraphs.

5.1 Twelfth/Thirteenth Finance Commission (TFC) Grants

An amount of ₹ 79.28 crore was allocated by the MoEF, GOI as grants-in-aid for Forests in line with the recommendations of the Twelfth/Thirteenth Finance Commission (TFC) to be released during 2008-13. The broad objectives of the Scheme were to provide the finances for preservation so as to halt and reverse past declines in the quantum and the quality of area under forest and to provide fiscal resources by which the State can enable alternative economic activities as a substitute for economic disability imposed by forest cover. An amount of ₹ 70.62 crore was released by GOI during the period as shown in the table below:

Table 5.1: Amount recommended and released under TFC grants

(₹ in crore)

Year	Amount recommended by TFC and allocated by GOI	Amount released by GOI	Expenditure
2008-09	5.00	5.00	5.00
2009-10	5.00	5.00	5.00
2010-11	17.32	17.32	17.32
2011-12	17.32	17.32	17.32
2012-13	34.64	25.98	20.98 ¹
Total:	79.28	70.62	65.62

(Source:-Departmental records)

Deficiencies in the implementation of the main components of the Scheme noticed during scrutiny of records in the office of the PCCF and the test-checked divisions are discussed in the following paragraphs:

5.1.1 Cut imposed on grant-in-aid due to non-preparation of Forest Management Plans

The Thirteenth Finance Commission (TFC) had stipulated that Working Plans or District-wise Management Plans had to be prepared in order to manage the natural resources of the State in a sustainable manner and got approved from the MoEF. The TFC had linked the release of funds from the 3rd year, i.e., 2012-13 onwards to the completion of this work. As per Para 12.47 of the Report of the TFC, grants for the first two years (2010-11 and 2011-12) was untied and priority was to be given to the preparation of management plans. Release of grants for the last three years was to be in the ratio of number of plans approved to 80 *per cent* of the number of plans for the State. Guidelines reiterating the same was also issued (September 2010) by the Ministry of Finance, GOI.

¹ Out of ₹ 25.98 crore released by the GOI, ₹ 20.98 crore was spent during 2012-13 and the balance of ₹ 5 crore was parked in Civil Deposit (June 2013).

It was however, seen that the Department had not prioritised the preparation of Management plans during the first two years despite being reminded by the MoEF (December 2010) and became conscious of this aspect only in March 2012 when a Committee was formed to monitor the preparation of District-wise Management Plans and to ensure its timely completion. As a result of non-preparation and approval of Management Plans, the GOI deducted an amount of ₹ 8.66 crore from the allocated amount of ₹ 34.64 crore during 2012- 13.

Scrutiny of records of Working Plan Officer, Kohima revealed that Sample Plot Enumeration which includes collection of data (forest inventory, collection and testing of soil and biomass) from 5,054 sample plots spread over the State was in progress for preparation of District Management Plans. It was stated that around 55 per cent of the enumeration had been done (June 2013) and the exercise was expected to be completed by April 2014.

Management Plans were to be framed based on the analysis of the data collected with the technical guidance of FSI. Further, meetings are required to be conducted with the local bodies/village authorities and testing of soil and biomass samples are to be completed before the draft management plans are written. As such, it is highly improbable that the Management Plans for the whole State would be completed before March 2014. As a consequence, it is certain that the GOI would impose further cuts from the allocation for 2013-14 and 2014-15.

In reply (November 2013), the Department stated that the data collection for framing the District Management Plans was actively progressing and would be completed at the earliest to avoid deduction of grants in future. However, the Department had not specified any time-frame for completing the work.

5.1.2. Delay in release of funds

As per guidelines, the grants were to be released by the GOI in five annual instalments in the first quarter and not later than July of each year. Scrutiny of records revealed that funds were released during 2008-13 in two instalments during the first two years and in single instalments during the last three years. Funds were released by GOI after July except for the 1st instalments during 2008-09 and 2009-10. The funds were in turn released to the Department by the State Government after delays ranging from 1 to 6 months as shown in the table below:

Table 5.2: Delay in release of funds under TFC grants

(₹ in crore)

Year	Instalment	Date of release by GOI	Amount released by GOI	Date of release by State Government	Amount released by State Government	Extent of delay (in months)
2008-09	1 st	21.05.2008	2.50	23.10.2008	2.50	5 +
	2 nd	08.12.2008	2.50	25.03.2009	2.50	3 ½ +
2009-10	1 st	21.06.2009	2.50	18.11.2009	2.50	5 +
	2 nd	08.12.2009	2.50	23.03.2010	2.50	3 ½ +
2010-11	1 st	21.09.2010	17.32	25.10.2010	17.32	1 +
2011-12	1 st	13.09.2011	17.32	17.02.2012	8.66	5 +
	--	--	--	28.03.2012	8.66	6 +
2012-13	1 st	03.12.2012	25.98	18.01.2013	13.00	1 +
	--	--	--	20.03.2013	2.98	3 +
	--	--	--	30.03.2013	5.00	3 +

(Source:-Departmental records)

The delay in release of funds by GOI was due to delays in submission of AWP's and utilisation certificates of the previous releases while the reason for delay in release by the State Government was not available. These delays in release of funds to the Department adversely affected the implementation of the scheme as funds could not be made available to the implementing divisions during the months suitable for various forestry activities. Further, these delays also encouraged the practice of fictitiously booking expenditure in the same month of receipt of funds or in some cases before actual receipt of funds as discussed in Paragraph 6.2.

In reply (November 2013), the Department while accepting the fact that delay in release of funds by the Government had affected the implementation of various schemes stated that steps would be taken to ensure timely release of funds to the implementing divisions.

5.1.3 Establishment of nurseries for raising seedlings for public distribution

Scrutiny of records revealed that an amount of ₹ 4.73 crore was earmarked in the AWP's during 2008-13 for establishment of nurseries in the Silviculture Division and the territorial divisions/ranges/beats for raising high quality seedlings for free distribution to the public. An expenditure of ₹ 3.53 crore was incurred for the purpose in the test checked divisions during 2008-13 as shown in the following table:

Table 5.3: Expenditure on establishment of nurseries

<i>(₹ in crore)</i>		
Sl.No.	Name of Division	Amount
1.	Silviculture Division	2.03
2.	Dimapur Division	0.30
3.	Mon Division	0.30
4.	Mokokchung Division	0.30
5.	Kohima Division	0.30
6.	Peren Division	0.30
	Total	3.53

(Source:-Departmental records)

No records were maintained in the divisions showing the number of seedlings raised, mortality and number of seedlings distributed to the public except in Central Nursery, Jalukie under Peren Division. The records maintained in Silviculture Division, Kohima were found to be rudimentary and incomplete. No survey was carried out to assess the requirement (numbers, species etc.) of seedlings for distribution and no criteria were being followed for selection of beneficiaries. Though it was stated by the Silviculturist that monitoring was conducted after distribution, no records to that effect were maintained. It was further seen that an amount of ₹ 1.01 crore (50 per cent of ₹ 2.03 crore) was shown as spent by Silviculture Division on payment of wages for raising nurseries without proper supporting documents.

It is thus, evident that TFC grants amounting to ₹ 3.53 crore were spent on creation of nurseries and raising of seedlings without proper planning/assessment of requirement etc., and the activities of the divisions were based entirely on the funds made available each year. Further, in the absence of records of survey/monitoring, the success or otherwise of the scheme of distribution of free seedlings to the public could not be verified.

Over and above funds spent under TFC grants, an expenditure of ₹ 0.88 crore was also incurred under State Plan on creation of nurseries for raising seedlings for free distribution to the public during 2008-13.

Joint physical verification of nurseries maintained in the divisions also revealed that maintenance was poor with the exception of the Central Nursery in Jalukie under Peren Division which was well maintained with several varieties of seedlings.

In reply (December 2013), the Department stated that all necessary records would be maintained and better monitoring and evaluation systems would be evolved.

5.1.4 Doubtful expenditure on free distribution of LPG connections

The Department had included in their works plan an innovative intervention *viz.*, 'Fuelwood saving initiatives-Free distribution of LPG' out of TFC grants received from GoI. An amount of ₹ 0.80 crore was earmarked in the AWP of 2010-11 for free distribution of LPG connections to the public with the objective of saving fuel wood and the amount was released to the Forest Utilisation Officer (FUO), Dimapur in November 2010.

Scrutiny of records revealed that Supply order for 'Surya Green Label' domestic LPG stove with all accessories was issued (November 2010) to M/s Seyie Gas Service, Kohima by FUO without giving wide coverage through NIT as required under procurement rules. As per supply order, the Firm was to make arrangements for supply of 1000 units of Domestic LPG at ₹ 8,000 per connection. Full payment of ₹ 0.80 crore was also released (November 2010) to the Firm in advance.

As per the Division-wise distribution list, the connections were to be distributed as follows

Table 5.4: Division-wise distribution list for LPG connections

Sl No.	Division	No. of LPG connections provided
1.	Kohima	340
2.	Mon	190
3.	Mokokchung	100
4.	Tuensang	80
5.	Dimapur	80
6.	Zunheboto	50
7.	Peren	40
8.	Phek	40
9.	Wokha	40
10.	Forest Utilisation Officer (FUO)	40
	Total:	1000

(Source:-Departmental records)

The list of beneficiaries was not readily available in the FUO, Dimapur and it was obtained later from the supplier. Scrutiny revealed that the list contained only the consumer names and colony/place names, mostly of Kohima town.

The FUO was not able to furnish the method followed for selection of beneficiaries. It was also evident that the Department was not at all involved in the distribution of connections to the beneficiaries and had left it entirely to the discretion of the firm. Further, the other test checked divisions were not aware of LPG connections distributed in their jurisdiction. Thus, the genuineness of actual distribution to the beneficiaries could not be verified and needs further investigation.

In reply (December 2013), the Department stated that selection of beneficiaries were done by higher authorities and distribution was carried out by the Firm after it was authenticated by the FUI. It was further stated that the Firm had distributed connections to the beneficiaries of other districts from Kohima. However, no evidence that the Department was involved in the selection of beneficiaries and distribution of LPG connections to them were furnished.

5.1.5 Avoidable expenditure on forest cover mapping and inventory of forest cover/tree resources in Nagaland

Scrutiny of records in the office of the Working Plan Officer revealed that the Forest Survey of India (FSI) had submitted (May 2012) a 'Project Proposal' with financial implication of ₹ 1.50 crore on being approached by the Nagaland Forest Department for technical assistance in forest resources inventory and forest cover mapping for preparation of working plan for Nagaland. The proposal was accepted by the Department and the full amount of ₹ 1.50 crore was paid (March and June 2012) to the FSI.

Thereafter, an agreement was signed (November 2012) with the FSI outlining the terms and conditions for executing the works and the responsibilities of the Department and FSI were clearly outlined. As per the Agreement, FSI was to provide technical inputs including procurement of remote sensing data and generation of forest cover maps and other maps for Nagaland. An amount of ₹ 0.78 crore was also included in the proposal for hardware/software, peripherals, workstations and DIP/GIS software.

It was however, seen that an expenditure of ₹ 0.70 crore² was incurred on procurement of Satellite Images and setting up of GIS Cell (including purchase of the same hardware and software, furniture etc) in the office of the Working Plan Officer (WPO), Kohima. The hardware/software was procured from local firms by the WPO without giving wide publicity through NIT/Quotation as required under rules and CVC guidelines.

The justification of procurement of high end hardware/software when payment for the same purpose was already made to FSI could not be stated. No evidence of negotiations made, if any, with FSI for excluding cost of hardware/software, peripherals, workstations and DIP/GIS software was seen on record. Thus, the purchase of hardware/software for activities already outsourced to FSI by the Department was avoidable.

In reply (November 2013), the Department stated that the GIS cell was set up as it was mandatory as per Supreme Court directions.

5.1.6 Doubtful expenditure on purchase and distribution of barbed wire

Scrutiny of records revealed that a total amount of ₹ 1.41 crore (₹ 0.91 crore in 2010-11 and ₹ 0.50 crore in 2012-13) was released to the FUI, Dimapur for purchase and distribution of barbed wire to the various divisions. Barbed wire totalling 1,14,582.40 kgs. at a cost of ₹ 1.41 crore were shown as procured by the FUI and distributed to the various divisions during November 2010 and January 2013. Scrutiny of records in the test checked divisions revealed that the barbed wire valued at ₹ 0.75 crore shown as issued by the FUI was not received in the divisions concerned. Further, all those divisions had procured barbed wire on

² ₹ 0.50 crore under IFM and ₹ 0.20 crore under TFC

their own on various occasions for execution of works in their divisions. The FUO could not furnish any requisition/requirement of barbed wire received from the divisions or the specific purpose for which they were utilised. The reasons for procurement of barbed wire by the FUO instead of by the divisions could also not be stated.

Thus, the expenditure of ₹ 0.75 crore on procurement and distribution of barbed wire in the test checked divisions was doubtful and needs further investigation.

5.1.7 Idle expenditure on establishment of Biological Data Centre

An amount of ₹ 0.20 crore was earmarked in the AWP during 2011-12 for establishment of a Biological Data Centre with the objective of collecting and creating a database of biological species to be made easily available and accessible to scientists/researchers for research work. The amount was released by the PCCF to the Silviculture Division for implementation during March 2012.

It was seen from the Cash Book that an amount of ₹ 13.40 lakh was spent for construction of the Centre and ₹ 6.50 lakh was spent on purchase of computers/accessories and stationeries. No expenditure on collection of data or creation of database was incurred. No technical manpower had been provided and the activity for which the Centre was established had not been carried out (November 2013) resulting in idle expenditure.

In reply (November 2013), the Department stated that the expenditure cannot be termed as idle as engagement of researchers and collection of data would begin as soon as funds are received. However, the fact remained that the activities for which the Centre was set up had not commenced even after a lapse of almost two years.

5.1.8 Diversion of funds

The TFC guidelines stipulate that funds should be utilised only for the purposes for which it was sanctioned and diversion of funds for activities other than those approved in the AWP was not admissible.

An amount of ₹ 0.20 crore was earmarked in the AWP of 2010-11 for renovation of office and quarters in Dimapur Division. It was however, seen that the amount was utilised for construction of a quarter cum-forest check gate at New Field, Dimapur (₹ 0.10 crore) and construction of a garage at Transit Camp, Forest Colony, Dimapur (₹ 0.10 crore).

5.1.9 Doubtful expenditure on establishment of Tragopan Breeding Centre, Kohima

An amount of ₹ 1.56 crore (₹ 0.75 crore from PCCF and ₹ 0.81 crore from Chief Wildlife Warden) was allocated to the Wildlife Warden, Dimapur during March 2013 for Tragopan conservation (Construction of Tragopan Breeding Centre and ex-situ conservation partially funded by Central Zoo Authority, GOI) and was released as Civil Advance to the Range Forest Officer, Kohima Zoological Park.

Scrutiny of records made available revealed that the whole amount was shown as spent during March 2013 against works³ executed. It was further seen that 1859 villagers/labourers were engaged at Tragopan Breeding Centre (TBC), Kohima and Old Zoo, Kohima during February-March 2013 for execution of works and an amount of ₹ 0.50 crore (32 per cent of the total funds) was paid as wages to them. Expenditure of ₹ 1.56 crore and engagement of such a large number people within the same month is prima facie doubtful and needs further investigation.

Joint physical verification (December 2013) revealed that some works were completed; some were in progress and some had not even commenced as indicated in the footnote.

5.1.10 Implementation of Peren District DPDB Hornbill reintroduction project

An amount of Rs.0.50 crore was included in the AWP of TFC during 2010-11 for 'Peren District DPDB hornbill reintroduction project (100 units @ Rs.50,000 each)'. The amount for the purpose was disbursed to DFO, Peren by the PCCF through inter departmental transfer during November 2010 which was in turn disbursed to the various ROs/BOs under the Division. On enquiry, it was stated by the DFO that the amount was utilised for different components of work such as survey and demarcation of boundary, construction of boundary pillars, creation of recreation sites, provision of alternate livelihood option for seven villages, awareness programme and documentation and plantation of local fruit trees for Hornbill food and nesting in fourteen villages. However, DPR/Action Plan for the Project or the manner in which it was implemented could not be furnished by the DFO or the PCCF indicating lack of proper planning. Further, no evidence of monitoring/evaluation carried out to study the impact of the Project could be furnished. Thus, the actual implementation of the Project and its impact could not be verified.

5.1.11 Identification and protection of village drinking water sources

A total amount of ₹ 1.20 crore⁴ was earmarked in the AWPs of TFC during 2011-12 and 2012-13 for 'Identification and protection of village drinking water sources including soil erosion control measures and embankment with live hedges' out of which ₹ 0.75 crore was allocated to the test checked divisions as shown in the table below:

Table 5.5: Expenditure on Identification and protection of village drinking water sources

Sl.No.	Name of Division	Amount (₹ in crore)
1.	Kohima Division (2011-12)-Jotsoma (100 ha.)	0.20
	Kohima Division (2012-13)- (33 ha.)	0.10
2.	Mokokchung Division (2011-12)-Longrandong (50 ha.)	0.10
3.	Mon Division (2011-12)-Wakching (75 ha.)	0.15
4.	Peren Division (2012-13)-Tening (33 ha.)	0.10
5.	Dimapur Division (2012-13)-Niuland (33 ha.)	0.10
	Total	0.75

(Source:-Departmental records)

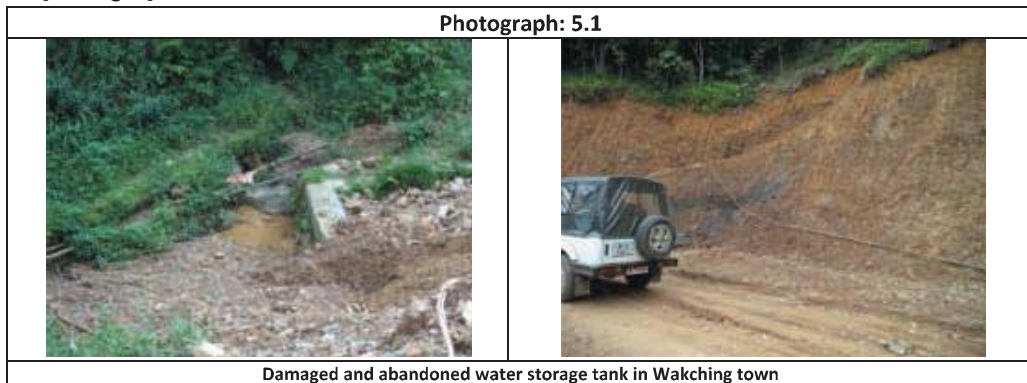
³ (i) Construction of Tragopan Chick Raising Unit at TBC (*completed*), (ii) Construction of Aviary for off-display at TBC (*work in progress*), (iii) Construction of Chowkidar/Caretaker quarter at TBC (*completed*), (iv) Construction of footpath at TBC (*work in progress*), (v) Construction of vehicle parking and connected works at Old Zoo, Kohima (*not commenced*), (vi) Construction of Water Body/Pond at Old Zoo, Kohima (*not commenced*), and (vii) Construction of Security Wall at Old Zoo, Kohima (*not commenced*).

⁴ ₹ 60 lakh during 2011-12 for 200 ha. and ₹ 60 lakh during 2012-13 for 300 ha.

Survey reports, DPR/Action plan, monitoring reports or the actual works proposed to be taken up could not be furnished either by the divisions or the PCCF.

Scrutiny of records and joint physical verification revealed that the divisions had mostly constructed water storage tanks with the funds allotted to them as detailed below.

- *Mokokchung Division:* ₹ 10 lakh was released to the RO, Mokokchung Range in March 2012 and payment of ₹ 5 lakh each was made to two individuals⁵. However, the works carried out could not be physically verified as the nature of work and location was not clear from the records.
- *Mon Division:* ₹ 15 lakh was released to RO, Naginimora Range in March 2012 and payment of ₹ 5 lakh each was made to three individuals/parties⁶. The works carried out were not clear from the records. It was stated by the RO that a water source was identified and an RCC water storage tank was constructed during March 2012 in Wakching town. Joint physical verification revealed that the water tank stated to be constructed was damaged and abandoned due to widening of road as shown in the photograph below.



- *Peren Division:* ₹ 10 lakh was released to the RO, Tening Range in January 2013 and was spent on construction of four water collection tanks in different locations of Tening Town as per the records. During joint physical verification, water tanks were seen constructed as shown in the photograph below:



⁵ T.Yanger, Chuchuyimpang Village and Mayang, Ungma Village.

⁶ Smti Ejok Konyak and Shri Wanpen Konyak of Wakching Village, Alui Konyak and Smti Shangmoi Konyak of Tanhai Village, Shri Manjong Konyak of Shiyong Village.

- *Dimapur Division:* ₹ 10 lakh was released to the RO, Niuland Range in January 2013 and payment was released to two individuals⁷. During joint physical verification, it was seen that two water tanks, a collection tank in the Range Office and the main tank in Hozukha village was constructed as shown in the photograph below:



The absence of survey reports for identification of village water sources and DPRs/Action Plan specifying the works to be undertaken indicates that the works were implemented without proper planning. The Department could also not clarify as to how the objective of identifying and protecting village drinking water sources was achieved by construction of water tanks.

5.1.12 Wasteful expenditure on avenue plantation

An amount of ₹ 0.27 crore was earmarked in the AWP of 2008-09 for the work 'Urban-Plantation- Integrated avenue plantation from High School Police Point to Assembly Complex' with the objective of adding beauty and providing green lungs to urban areas. The amount was released to DFO, Kohima by the PCCF during November 2008 and was utilised during the same month. As per records, 2310 tree guards were put up along both sides of the road (total 6 km⁸) and plantation done with species such as Cherry, Plum and Pomegranate.

During joint physical verification, it was seen that the plantation was a failure as only around 100 tree guards were in existence out of which several were damaged. Further, only around 50 trees, mostly Cherry had survived indicating that it was abandoned after plantation. The present condition of the plantation is shown in the photograph below.



⁷ ₹ 7.50 lakh paid to Kahoto Sema of Hozukha village for construction of one water reservoir (12'x8') with CC work and CGI roofing and ₹ 2.50 lakh paid to Ihuto Sema of Hozukha village for GI pipes and plantation at water sources with hedge and soil erosion control measures and embankment works.

⁸ @ ₹ 4.50 lakh per km.

Thus, the objective of the plantation was not achieved and the expenditure of ₹ 0.27 crore on the work was wasteful.

Audit findings on creation of infrastructure under TFC grants are detailed in *Paragraph 5.7*.

5.2 Intensification of Forest Management (IFM)

Intensification of Forest Management (IFM) Scheme formerly known as the Integrated Forest Management Scheme is a Centrally Sponsored Scheme with 90 *per cent* contribution from GOI and the remaining 10 *per cent* from the State Government. The major components of the Scheme were strengthening of infrastructure for forest protection and forest fire control and management. The amount sanctioned by MoEF, GOI as per AWP, the amount actually released and short releases during 2008-13 are shown in the table below:

Table 5.6: Amount sanctioned by GOI and actual releases

(₹ in lakh)

Year	Amount to be released as per approved AWP		Amount actually released by GOI to GON	Amount released by GON to Department		Short release compared to approved AWP	
	GOI (90%)	GON (10%)		GOI share	GON share	GOI share	GON share
2008-09	222.48	24.72	222.48	222.48	24.72	--	--
2009-10	274.95	30.55	274.05	274.05	30.45	0.90 ⁹	0.10
2010-11	184.41	20.49	183.51	143.92	15.99	40.49	4.50
2011-12	433.71	48.19	346.97	39.59 ¹⁰	4.00 ¹¹	394.12	44.19
2012-13 ¹²	0.00	0.00	0.00	346.97 ¹³	38.55 ¹⁴	(-) 346.97	(-) 38.55
Grand total:	1115.55	123.95	1027.01	1027.01	113.71	88.54	10.24

(Source:-Departmental records)

As per guidelines of the Scheme, the State Government was required to submit the AWP for each financial year by the end of December of the preceding financial year to the MoEF. The first instalment was to be released by MoEF with the condition that the second instalment would be released only after receiving the Utilisation Certificate for at least 50 *per cent* of the first instalment.

It can be seen from the above table that an amount of ₹ 0.99 crore (Central Share: ₹ 0.89 crore & State Share: ₹ 0.10 crore) sanctioned by MoEF during the period from 2008-09 to 2011-12 could not be availed by the Department. Further, though AWP amounting to ₹ 5.78 crore for 2012-13 was submitted by the Department, it was not approved and funds were not sanctioned/released by MoEF.

Short releases during 2009-10 to 2011-12 and withholding of sanction by MoEF for the year 2012-13 was due to delays in submission of AWP, delays in release of funds (both Central and State Share) by the State Government to the Department, delays or non-release of State Share and delays in submission of Utilisation Certificates/Progress Reports by the Department to MoEF, GOI.

⁹ 2nd installment not released by MoEF

¹⁰ Central Share of 2010-11 (₹ 35.99 lakh and ₹ 3.60 lakh) released in 2011-12.

¹¹ State Share of 2010-11 released in 2011-12.

¹² AWP for 2012-13 not approved and no funds released for the year.

¹³ Central share of 2011-12 released in 2012-13

¹⁴ State share for 2011-12 released during 2012-13.

Scrutiny of records related to the Scheme in the test checked divisions revealed the following deficiencies:

5.2.1 Idle expenditure on construction of Beat Office/quarters and approach road

Scrutiny of records in Mon Division revealed that an amount of ₹ 0.34 crore was released to DFO, Mon in March 2009 by the PCCF for construction of Range/Beat office along with approach road at Wakching Town under Naginimora Range. The amount was transferred to the Range Officer and shown as fully spent during March 2009. Out of this, an amount of ₹ 0.10 crore was shown as spent on wages for construction of approach road and the balance amount of ₹ 0.24 crore was spent for purchase of building materials and payment of wages for construction of a Beat Office at Wakching town. Further, an amount of ₹ 0.11 crore was spent during November 2010 for procurement of materials for construction of staff quarter (540 sft). Another amount of ₹ 0.08 crore (March and December 2009) was spent for construction of approach road to the proposed Beat Office. During joint physical verification, it was seen that both the buildings (Beat Office and quarter) were abandoned and in very poor condition as shown in the photographs below. It was stated by the Range Forest Officer, Naginimora that the Beat Office had not started functioning and no staff members were posted in Wakching.



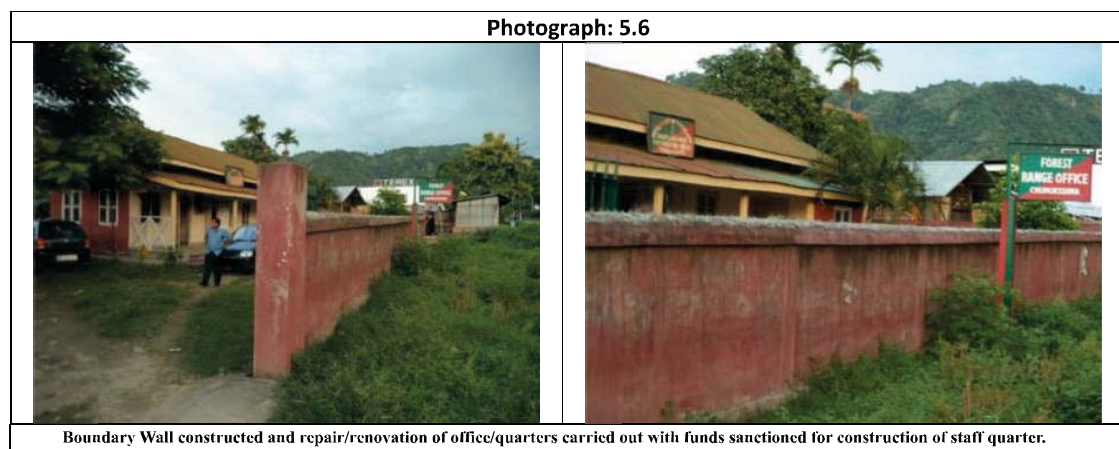
Thus, the expenditure of ₹ 0.53 crore on construction of Beat Office, staff quarters and approach road was idle.

5.2.2 Diversion of funds

As per Scheme guidelines, funds were to be spent in accordance with approved AWP and no deviation from the approved items of work was allowed without the prior concurrence of

GOI. This was also reiterated in all the sanction orders issued by the MoEF. Scrutiny of records however, revealed instances of deviation/diversion of funds as detailed below:

An amount of ₹ 12.20 lakh was released to the Range Forest Officer, Chumukedima by DFO, Dimapur in November 2008 for construction of a Forest Guard/Forester quarter (540 sq ft) under IFM. Scrutiny of records revealed that the amount was spent for purchase of building materials without specifying the number, type or size of the building constructed. It was however, seen during joint physical verification that the funds were actually utilised for construction of boundary wall around the land of the Chumukedima Range (office and four quarters) as shown in the photograph below. It was also stated by the Range Forest Officer that the funds were partially utilised for renovation of office and minor repairs of staff quarters as directed by higher authority.



In reply (December 2013), the Department stated that priority was given for construction of boundary wall to save the Department's land from encroachers on the advice of the Secretary, Forest Department. However, the fact remained that funds were utilised for purposes other than for which it was sanctioned in violation of guidelines.

Audit findings on creation of infrastructure under IFM are detailed in *Paragraph 5.7*.

5.3 Working Schemes

As per Hon'ble Supreme Court Order (January 1998), felling of trees from forests, including private forests shall be only in accordance with Working Plans/Schemes approved by the MoEF. Working Schemes prescribe the activities to be carried out scientifically in a specified forest area for a fixed number of years so that use/extraction of forest resources including timber are managed in a sustainable manner.

Working Schemes were prepared by the Working Plan Officer, Kohima as per guidelines of the National Working Plan Code and approved by the MoEF usually for an operation period of 5 years. The Division had prepared a total number of 72 working schemes out of which 50 were in operation during the period 2008-13. As most forests in Nagaland are private/community owned, village-wise Working Schemes were prepared on the application submitted by the concerned Village Councils.

A Special Investigation Team (SIT) was also constituted (January 2000) by the Hon'ble Supreme Court to issue guidelines from time to time and ensure that all court orders are followed. Elaborate procedures for marking of trees, felling and transportation of logs/timber from the forest to the mills and records to be maintained by the Range Forest Officers and the depots/mills were also framed on the basis of the Forest Act and guidelines issued by the SIT to regulate the operation of the Working Schemes. Scrutiny of records related to Working Schemes in the test checked divisions revealed that several prescribed records were not being maintained and procedures/guidelines were not being followed as discussed in the following paragraphs:

5.3.1 Non-maintenance of mandatory records

The Range/Beat Forest Officers (RFOs/BFOs) were to maintain Depot Registers showing the number of logs, volume, species and number of Transit Passes (TPs) issued. The RFOs/BFOs were also required to maintain Log Measurement Books (LMBs) signed by the DFOs for the depot volume allowed by the MoEF. Permission to issue TPs were to be issued by the DFOs only after forest royalty was realised for the timber/logs in the depot through Treasury Challan. Further, Depot Dispatch Registers were to be maintained showing the mills to which the logs were sold/transported, species, volume and details of royalty collected. Monthly reports were also to be sent to the Conservator of Forest (STC/NTC) by the DFOs.

Scrutiny of records in the test checked divisions revealed that most of the prescribed records were not being maintained. No information on the number of depots or their functioning was furnished to audit. Registers or other records showing the total quantity of timber extracted and royalty realised during the operation of the Working Schemes were also not maintained except in Dimapur Division.

Depot registers were not being maintained in any of the divisions test checked. In Dimapur Division, though Depot Register in respect of Kohoxu Working Scheme was furnished, it was seen that it was only a record of the TPs issued by the Range Forest Officer, Niuland.

Tree Marking Lists/Books (TMBs) showing the Tree Number, class/species, girth, length and volume of the trees to be harvested in a year in respect of each Working Scheme were to be submitted to the Conservator of Forests (Southern Territorial Circle/Northern Territorial Circle) every year to obtain permission for felling. TMBs in respect of most of the Working Schemes were not available or furnished to audit. In Mon Division, it was seen that identical TMBs showing the same Tree Number, class/species, girth, length and volume were submitted to the CF (NTC) several times in respect of Wanching Village and Zangkham Village Working Schemes indicating that the same trees were felled year after year during the operation of the Schemes.

In the absence of proper records, the actual quantity of timber extracted from Working Schemes and transported to Dimapur for onward despatch to various destinations through railway wagons, the total amount of royalty realised and their deposit into Government Account could not be verified. Further, due to non-maintenance of proper records, particularly Depot registers, possibility of inclusion of illegal timber extracted from other areas along with timber extracted from Working Schemes for transportation outside the State could not be ruled out and needs further investigation.

In reply (December 2013), the Department stated that Depot Registers are maintained by Working Scheme operators and are cross-checked by the RFOs/BFOs and the Department was following all guidelines as issued by competent authority. However, as per guidelines Depot Registers were to be maintained by the RFOs/BFOs and the records stated to be maintained by them were not furnished during audit.

5.3.2 Non-accountal of royalty realised

Records of total timber extracted from Working Schemes and royalty realised were not furnished in the divisions test checked except Dimapur. Thus, the royalty realised and their deposit into Government Account could not be vouchsafed. In Mon Division, where records were made available to audit, cross check of allotment orders issued to various wood based industries and amount of royalty realised shown in the Cash Book revealed that an amount of ₹ 25.68 lakh was not accounted for in respect of two Working Schemes as shown in the table below:

Table 5.7: Non accountal of royalty realised

Name of Working Scheme	Period	(₹ in lakh)		
		Royalty to be realised as per allotment orders	Royalty realised as per Cash Book	Royalty not accounted for
Apao & Sowa Village (Aboi Range)	March 2009 to June 2013	32.97	17.13	15.84
Wanching Working Scheme (Naginimora Range)	March 2009 to June 2012	25.42	15.58	9.84
Total:		58.39	32.71	25.68

(Source:-Departmental records)

In reply (November 2013), the Department stated that royalty was not realised as the timber/log allotted was not fully purchased. The contention of the Department was not convincing as the amount of royalty realised was incorporated in the allotment orders in all cases and needs further investigation.

5.3.3 Submission of incorrect reports for extension of Working Schemes

Cross check of records revealed instances where the quantity of timber extracted was understated in the application for extension of the Schemes. The difference in the volume of timber extracted and royalty realised as per records available and that shown in the applications for extension of the schemes for which records were made available are detailed in the table below:

Table 5.8: Understatement of volume of timber extracted in application for extension of Scheme

Name of Working Scheme	Extraction as per records		Extraction as per application for extension		Difference	
	Volume (cu.m)	Royalty realised (₹ in lakh)	Volume (cu.m)	Royalty realised (₹ in lakh)	Volume (cu.m)	Royalty (₹ in lakh)
Kohoxu (Niuland Range, Dimapur)	1918.42	10.35	1762.83	9.63	155.59	0.72
Apao & Sowa (Aboi Range, Mon)	5701.73	25.58	1734.46	8.93	3967.27	16.65

(Source:-Departmental records)

From the table above, it is evident that the volume of timber extracted was understated in the application for extension with the intention of extracting more timber than that allowed in the approved Working Scheme.

5.4 Timber operations

Complete records relating to extraction and transportation of timber were either not maintained or furnished to audit in the test checked divisions. Scrutiny of records made available to audit revealed the following discrepancies.

5.4.1 Non-maintenance of records

As per SIT instructions, The PCCF was to verify that wagons are being utilised for transportation of same category of timber for which the allocation had been made and that no diversion of wagons had been made to transport other category of timber and only the timber procured strictly in accordance with rules and provisions of Working Schemes was being transported and no illegally procured timber was being transported in the wagons. Further, all Original Transit Permits (OTPs) issued by the DFO of the Divisions where the Working Schemes were located had to be surrendered for obtaining lieu TP from Dimapur Division along with copies of Log Measurement Book. Register of issue of lieu TPs (Working Scheme wise) was seen maintained in Dimapur Division. However, this could not be cross verified as details of Original TPs (number, volume of timber etc) against which those lieu TPs were issued and names of the High Power Committee¹⁵ cleared mills in which round timber had been converted to sawn timber etc., were not recorded. Further, the same could not be cross verified in the test checked divisions as records were not maintained/furnished to audit. Therefore, it could not be confirmed whether all sawn timber transported through rail wagons outside the North Eastern region were sourced only from the Working Schemes.

It was also noticed that TP books were being printed and issued to the divisions from the office of the PCCF. Despite requisition (June 2013) and subsequent reminders, information regarding printing and issue of TP books to the divisions was not furnished. Further, issue register showing issue of TP books to the Range Forest Officers were not maintained in any of the divisions test checked. Therefore, proper utilisation of TPs by the divisions/ranges and deposit of the entire revenue realised into Government Account could not be verified.

In reply (December 2013), the Department stated that all norms/guidelines were being followed and the question of non-maintenance of records does not arise. However, the fact remained that the records stated to be maintained were not furnished during audit.

5.4.2 Transportation of timber to other State Governments, Public Sector Units and Government Organisations.

Scrutiny of records made available by Forest Utilisation Division (FUO), Dimapur revealed that timber (sawn timber, bally post etc.) were being transported to various State Governments, Public Sector units and other Government Organisations (Defence through DGS&D) through the FUO. No records except for a few Government Orders authorising the FUO to issue Transit Permits (TPs) for both roads and railways and to indent railway wagons for the transaction of all Government to Government supplies outside the State with DGS&D and Central Government Undertakings were furnished. No guidelines/orders/instructions followed or reports/returns sent to higher authority showing the quantity of timber transported

¹⁵ Constituted by the Hon'ble Supreme Court in March 1997.

and revenue realised etc., could be furnished. Records such as Register showing details of lieu TPs issued against Original TPs were not maintained and there was no evidence to show that co-ordination/reconciliation of quantity of timber extracted from Working Schemes had ever been carried out with other divisions. Though large sums were seen credited and debited (*Paragraph 4.4.1.1*) in the current bank account operated by FUI, records of receipt from other Organisations/DGS&D and payment to the suppliers were not maintained.

In the absence of proper records and lack of transparency at all levels, it could not be verified whether only bonafide timber/logs extracted from Working Schemes were being issued to the suppliers for transportation to Dimapur and onward transportation by road/railway wagons to other State Governments/Government Organisations.

In reply (November 2013), the Department stated that efforts were being made to maintain all records.

5.4.3 Non-submission of reports/returns of wood based industries/timber transporters and records to be maintained by them.

As per guidelines issued by MoEF wood based industrial units and registered timber transporters were required to maintain daily, weekly and monthly abstract of receipts, conversion, stock and disposal. Each wood based industry was required to furnish those abstract to the DFO concerned every month. Registered timber transporters, other than wood based industries, were to furnish monthly abstract of total round timber and sawn timber received by them, saw mills from which received, despatched during the month and closing balance of round and sawn timber. Further, as per departmental guidelines the DFOs concerned were to conduct verification of records, survey and physical verification of the wood based units under their jurisdiction. The DFOs were required to submit monthly reports/returns in prescribed format (Proforma VI) to the concerned CFs/PCCF and the Regional Office of MoEF.

However, records relating to receipt of abstracts from the wood based industries, reports/returns sent to CF/PCCF/Regional Office of MoEF and details regarding inspections/verifications were not furnished by the test checked divisions indicating non-maintenance of such records.

In reply (December 2013), the Department stated that all reports/returns were being submitted regularly without any evidence to support their claim. The fact also remained that the test-checked divisions could not furnish any records during audit.

5.5 National Afforestation Programme (NAP)

The National Afforestation Programme (NAP) sponsored by the National Afforestation and Eco-Development Board (NAEB), Ministry of Environment and Forests (MoEF), Government of India was launched in Nagaland during 2000-01 with the objectives of sustainable development and management of forest resources and to increase/improve forest and tree cover. Funds for the Scheme were released directly to the 20 Forest Development Agencies (FDAs) till 2009-10 for implementation through Joint Forest Management Committees (JFMCs). The State Forest Development Agency (SFDA) was formed during

2009-10 and thereafter funds for the scheme were being routed through the SFDA to the FDAs.

Details of total funds received from NAEB for implementation of NAP were as follows:

Table 5.9: Funds received under NAP

(₹ in crore)

Year	Amount received
2008-09	6.66
2009-10	10.07
2010-11	10.11
2011-12	11.69
2012-13	10.88
Total	49.41

(Source:-Departmental records)

As per the records furnished to Audit, an amount of ₹ 28.32 crore was received by the FDAs in the test checked divisions as shown in the table below:

Table 5.10: Funds received by selected FDA's under NAP

(₹ in crore)

Year	Dimapur		Mon		Mokokchung		Kohima		Peren		Total
	Regular	Jhum	Regular	Jhum	Regular	Jhum	Regular	Jhum	Regular	Jhum	
2008-09	0.88	0.85	1.08	0.06	0.00	0.00	0.50	0.42	0.40	0.95	5.14
2009-10	1.00	0.86	0.80	0.40	0.00	0.50	0.00	0.32	0.38	0.70	4.96
2010-11	0.88	0.54	0.76	0.88	0.94	0.65	0.47	0.49	0.27	0.25	6.13
2011-12	0.46	0.51	0.64	0.82	0.52	0.61	0.59	0.81	0.56	0.71	6.23
2012-13	0.40	0.54	0.49	0.73	0.46	0.60	0.63	0.74	0.56	0.71	5.86
Total	3.62	3.30	3.77	2.89	1.92	2.36	2.19	2.78	2.17	3.32	28.32

(Source:-Departmental records)

Test check of records of the SFDA and the four selected FDAs revealed that all the funds received were being transferred to the JFMCs for carrying out the activities under the Scheme. No records of field inspections conducted by Range Forest Officers or periodical reports/accounts/progress reports submitted by the JFMCs, if any, were furnished. Interaction with selected JFMCs also revealed that most of them were not maintaining records of receipt and utilisation of funds. Further, it was seen there were no measureable parameters to assess the performance of the JFMCs. Therefore, the activities taken up and the success or otherwise of the scheme could not be verified in audit. The results of joint physical verification of selected JFMCs are detailed in *Appendix IV*.

The following discrepancies in the implementation of the Scheme were also noticed:

- As per Para 2.2 of NAP Revised Operational Guidelines, 2009, FDAs were to sign a Memorandum of Understanding (MoU) with the JFMCs implementing the Scheme indicating mutual obligations, rights and roles. The MoU should, *interalia*, include the right of FDAs to stop and withdraw funding from a JFMC if their performance was found to be unsatisfactory along with the procedure to be adopted in such cases. The FDAs, in turn, would also sign a similar MoU with the SFDA. However, the said clause was not included in the MoUs signed between the FDA and the JFMCs. Also, it was stated by DFO, Mon and DFO, Kohima that no MoU was signed between SFDA and FDA whereas DFO, Dimapur and DFO, Mokokchung did not furnish the MoU to Audit.

In reply (November 2013), the Department stated that action would be taken to frame MoUs between the SFDA and FDAs and necessary changes made to the MoUs between the FDAs and JFMCs.

- As per Para 6.5.2 of the guidelines, 80 *per cent* of the funds released to the FDA for implementation of the works to be undertaken by JFMCs would be transferred to the bank account of concerned JFMCs. When 50 *per cent* of the funds released to a JFMC had been utilised, the balance 20 *per cent* of the funds would be released. However, scrutiny of FDA's bank statements and Cash Book revealed that funds were released to the JFMCs in a single instalment in violation of guidelines.
- As per Para 9.1 of the guidelines, each project under the Scheme would be monitored by the FDA, SFDA and the State Forest Department officials through field inspections and otherwise. The Range Forest Officer would undertake field checks of the works undertaken by the JFMCs and submit periodical reports to the Chief Executive Officer (DFO). However, no periodical inspection reports were submitted to the Chief Executive Officer.

In reply (November 2013), the Department stated that monitoring was carried out and necessary instructions had been issued for its documentation.

- As per Annexure-D, Sl.No.6 of the guidelines, each JFMC shall submit a quarterly statement of accounts and progress of works carried out by them to the FDA. However, it was seen that JFMCs were not submitting quarterly statements to the FDAs.

In reply (November 2013), the Department stated that quarterly accounts were submitted by the JFMCs to the FDAs and was compiled by them as quarterly progress reports and submitted to SFDA. However, the test checked FDAs had stated that the JFMCs were not submitting statement of accounts.

- No Village Development Funds or Small & Micro Forest Enterprises as envisaged under NAP were created during the last 5 years.

In reply (November 2013), the Department stated that these activities could not be taken up due to fund constraints and the FDAs would take up the matter with the JFMCs.

- Minutes of meetings of General Body of FDA & Executive Body of FDA were not furnished. Thus, it could not be verified whether any meetings were held.

In reply (November 2013), the Department stated that necessary instructions would be issued in this regard.

- Interaction with JFMC members in the test checked divisions revealed that JFMCs under FDA, Dimapur & FDA, Mon were not maintaining any records regarding receipt/expenditure of funds. Therefore, receipt of funds by the JFMCs and its proper utilisation could not be vouchsafed in audit.

5.6 Functioning of Rubber Processing Unit in Jalukie, Peren

During audit, it was seen that a Rubber Processing Unit along with a plantation (6500 trees planted during 1982-84) was functioning in Jalukie under Peren Division. On enquiry, it was stated that there were no orders/instructions regarding management of the Unit and it was being run on the basis of verbal instructions from the higher authority. It was further seen that

revenue targets or the minimum rate for sale of dry rubber sheets were not fixed and no plantation journals were maintained.

Scrutiny in audit revealed that DFO, Peren had remitted a total amount of Rs.16.86 lakh being sale proceeds of 22,300 kilograms of dry rubber sheets during the period 2008-2013 to the Treasury as detailed in the table below:

Table 5.11: Sale proceeds of rubber sheets remitted during 2008-13

2008-09		2009-10		2010-11		2011-12		2012-13		<i>(in ₹)</i>	
Qty. (Kg.)	Amount	Qty. (Kg.)	Amount	Qty. (Kg.)	Amount	Qty. (Kg.)	Amount	Qty. (Kg.)	Amount	Qty. (Kg.)	Amount
Nil	Nil	5800	336400	6000	510000	6500	520000	4000	320000	22300	1686400

(Source:-Departmental records)

It can be seen from the table that the production was 'nil' during 2008-09 and increased during 2009-10 to 2011-12 after which it declined in 2012-13. Decline in production was attributed to scarcity of water. Despite requisition, no other records regarding production and sale of rubber sheets were furnished. It was also seen that the sale proceeds collected were deposited into Treasury only once (March) every year.

Further scrutiny revealed that the expenditure on pay and allowances of the staff¹⁶ engaged for running of the Rubber Unit was ₹ 17.52 lakh¹⁷ per annum. The revenue earned from the Unit was only 18.26 per cent of the expenditure on pay and allowances of the staff during 2012-13.

5.7 Creation of infrastructure under Schemes/Programmes

A large portion of the funds (₹ 60.87 crore) received under Centrally Sponsored Schemes and State Plan Schemes during 2008-13 was spent on creation of infrastructure such as construction of office buildings, staff quarters, forest approach roads and protection works (fencing/walls etc.) in various divisions/Wildlife sanctuaries throughout the State as detailed in *Appendix V*.

Four¹⁸ major projects were executed by the Engineering Wing attached to the Office of the PCCF manned by an Executive Engineer and a Junior Engineer. All the other works under various schemes/programmes were executed by the concerned Range Forest Officers in the divisions.

It was seen that the civil works in the test checked divisions were taken up without framing/conforming to the estimates and most divisions did not maintain Measurement Books (MBs). In divisions/ranges where MBs were furnished, it was seen that detailed measurement of the works executed, date of commencement and completion of work etc., were not recorded and the entries made were merely a replica of the entries recorded in the Cash Book. The works executed could not be compared with the estimates as expenditure was shown as incurred on procurement of materials and payment of wages.

¹⁶ One Dy. Forest Ranger, 3 forest guards, 6 rubber tappers and one night chowkidar.

¹⁷ ₹ 1.46 lakh per month (March 2013)

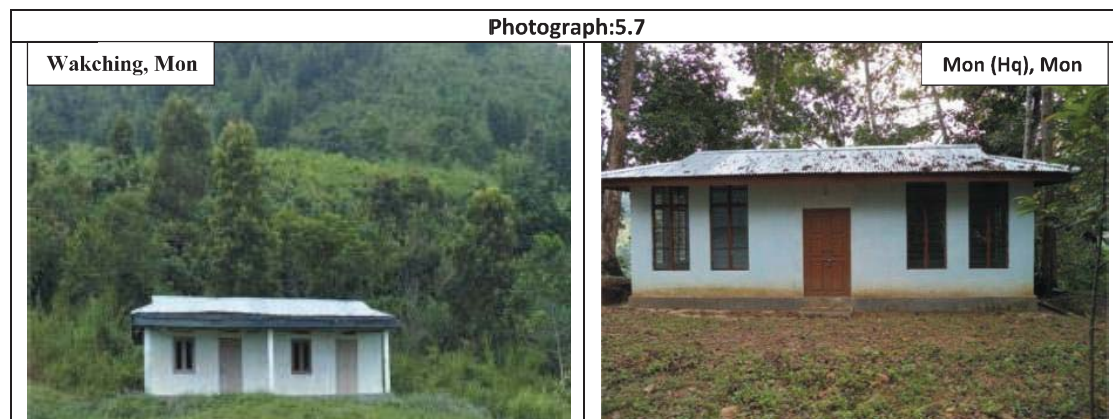
¹⁸ (i) Construction of Office Complex and staff quarters at Forest Colony, Dimapur, (ii) Construction of Shopping Complex-cum-Parking Plaza at Forest Colony, Dimapur (iii) Construction of office for STC/NTC at Kohima and (iv) Construction of Office Complex at Mon/Rest House at Naginimora.

The proposals for the works did not originate from the divisions/ranges but were taken up as and when funds were released on the instructions from the Office of the PCCF indicating that the works were fund driven and not need based. Further, works other than for which funds were sanctioned were also taken up. Important findings on execution of works under various schemes/programmes in the divisions test checked are discussed in the following paragraphs.

5.7.1 Deviation from estimates in construction of staff quarters

An amount of ₹ 9.82 crore¹⁹ was earmarked in the AWP during 2008-13 for construction of various types of staff quarters/office throughout the State as detailed in *Appendix V 1 (a) & 2 (a)*. As per the estimates enclosed with the AWP, the cost per sft. was worked out at ₹ 2259.87²⁰ on the basis of NPWD SOR (2008). Findings of audit on construction of staff quarters are discussed below:

- It was seen that the estimate (₹ 12.20 lakh) prepared for a quarter with plinth area of 540²¹ sft. included a kitchen, a sitting room, 2 bed rooms, a verandah and a bathroom. Scrutiny of records and physical verification in the test checked divisions revealed that the funds were released to the Range Forest Officers and spent against procurement of construction materials and payment of wages within the same month. There were wide variations in the items and quantity of materials purchased across the divisions/ranges for construction of quarters with the same plinth area as detailed in *Appendix VI (a)*. Joint physical verification also revealed that there were wide deviations from the estimates as also variations in the size and quality of the quarters with the same plinth area actually constructed across the divisions and ranges as shown in the following photographs.



¹⁹ IFM: ₹ 4.07 crore and TFC: ₹ 5.75 crore

²⁰ Rate per sft as per NPWD SOR 2008- ₹ 1235.48 + ₹ 679.52 (Higher anticipated tender value-25%, site leveling and approach road-10%, Water supply & sanitary installation-12.5 %, Electrification-7.5%)= ₹ 1915 + ₹ 344.87 (Work charge and contingency-5% and Departmental charges-13%)= ₹ 2259.87

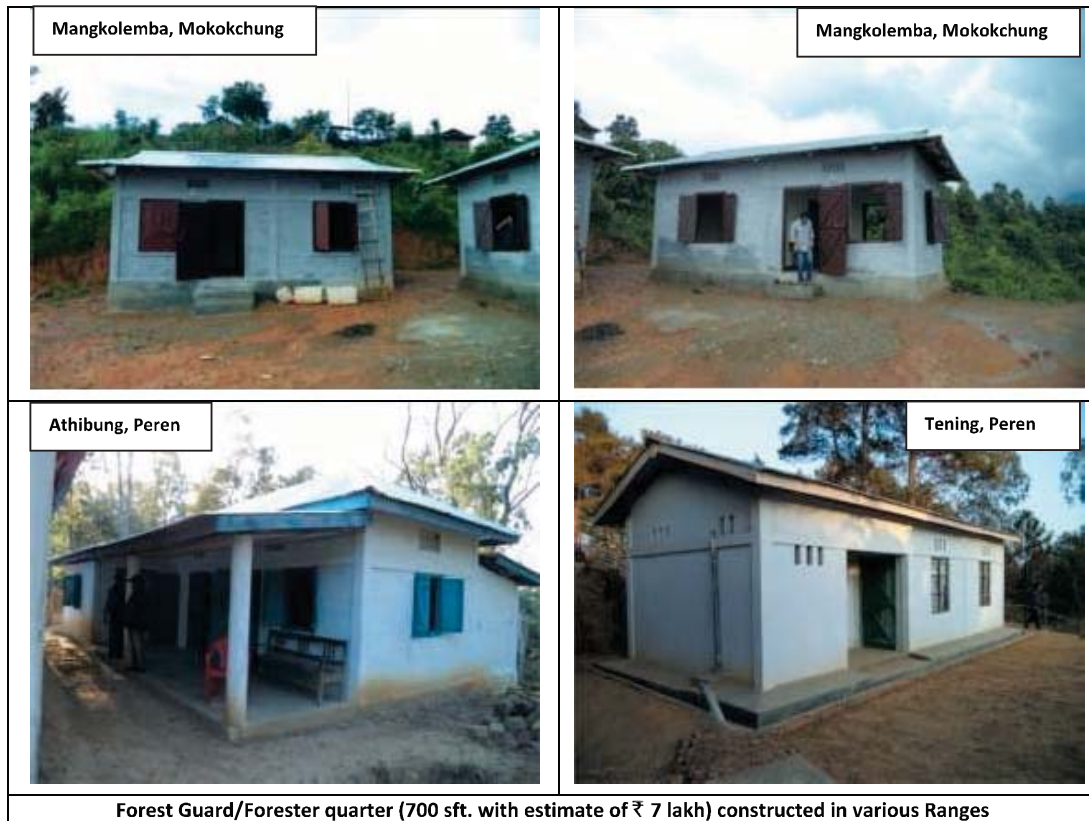
²¹ Kitchen (80 sft.), Sitting room (132 sft), 2 Bed rooms (132 and 144 sft), Verandah (36 sft) and Bathroom (16 sft)



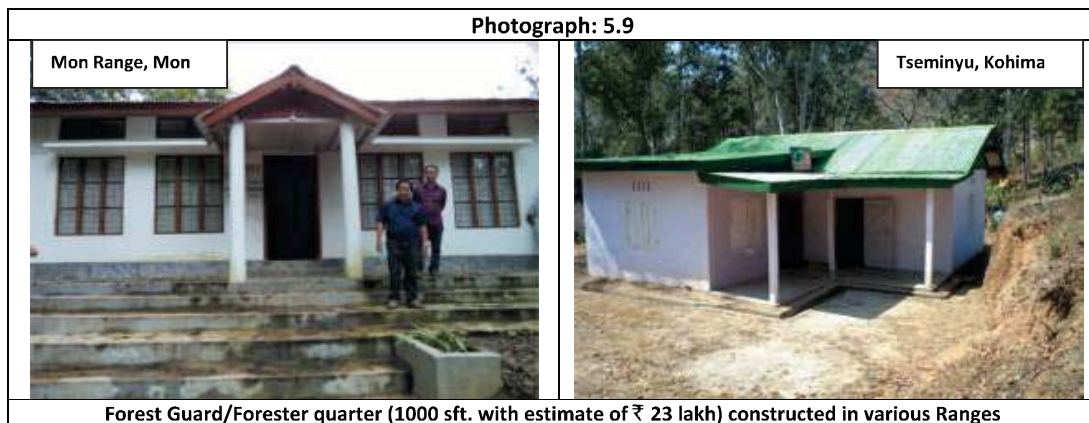
Forest Guard/Forester quarter (540 sft. with estimate of ₹ 12.20 lakh) constructed in various Ranges

- It was further seen that ₹ 0.14 crore was released to the Range Forest Officers, Namsa (₹ 0.07 crore) and Range Forest Officer, Naginimora (₹ 0.07 crore) by DFO, Mon during November 2010 for construction of Forester/Dy.Ranger quarter with plinth area of 700 sft. Estimates for the work were not found on record. ₹ 0.14 crore was also spent by Beat Officer, Mangkolemba for construction of two staff quarters during October 2012. An amount of ₹ 0.28 crore was released to the ROs/BOs, Athibung (₹ 0.07 crore), Tening (₹ 0.07 crore), Nsong (₹ 0.07 crore) and Ntu (₹ 0.07 crore) by DFO, Peren during October 2012 for construction of Quarters/Range Offices. The whole amount was spent by the Range Forest Officers/Beat Officers for procurement of materials and payment of wages (*Appendix VI (b)*) with wide variations across the divisions/ranges. Joint physical verification also revealed wide variation in the actual construction of the four quarters as shown in the photographs below:



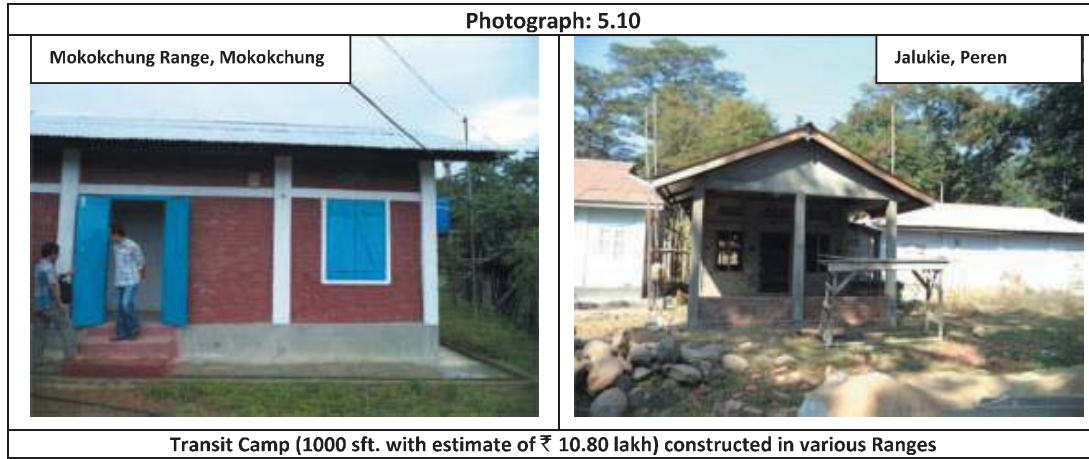


- An amount of ₹ 0.23 crore each was spent by RFO, Mon (March 2013) and RFO, Tseminyu (March 2012) for construction of residential quarters (1000 sft). Scrutiny of bills/vouchers revealed that there were wide variations in the items and quantity of materials procured as shown in *Appendix VI (c)*.



- An amount of ₹ 0.11 crore was earmarked in the AWP of 2011-12 for construction of Transit Camp (1000 sq ft.) for field officers at Mokokchung. However, an amount of ₹ 0.09 crore was shown as spent for the work by the RFO, Mokokchung Range during October 2012. ₹ 0.11 crore was also earmarked for construction of Transit Camp (1000 sq ft.) at Jalukie under Peren Division and ₹ 0.10 crore was shown as spent for the work during October 2012. Scrutiny of bills/vouchers revealed that there were wide variations in

the items and quantity of materials procured as shown in *Appendix VI (d)*. Physical verification also revealed that the work in Jalukie Range was in progress (January 2014) as shown in the photograph below:



The wide variation in the items and quantity of materials procured for construction indicates that the expenditure booked was fictitious and actual construction without adherence to the estimates was left entirely to the discretion of the Range Forest Officers. It was also seen during physical verification that the estimate was not at all followed as detailed in *Appendix VII*.

In reply (December 2013), the Department stated that construction cost varies depending on the location and distance, wages and labour cost without clarifying why these issues were not factored in while preparing the estimates. This indicates that the estimates were prepared with the sole intention of obtaining funds from GOI and execution was left to the discretion of the Field Officers.

5.7.2 Deviation from estimates in improvement of forest approach roads

An amount of ₹ 4.68 crore²² was earmarked in the AWP during 2008-13 for improvement of forest approach roads as shown in *Appendix V 1 (b) and 2 (b)*.

As per the estimate enclosed with the AWP, the cost per km was ₹ 12.50 lakh²³ (NPWD SOR, 2008) and the components of work were maintenance of earthen shoulder, hill side drain clearance, clearance of landslides, WBM Gr I, WBM Gr II, contingency and departmental charges. Detailed analysis of records and joint physical verification of the works executed revealed that the actual execution of work was not consistent with the estimate as detailed in *Appendix VIII*. Joint physical verification also revealed that the components of works actually carried out were not as per the estimate as detailed in *Appendix IX*.

²² TFC: ₹ 3.25 crore and IFM: ₹ 1.43 crore

²³ Maintenance of earthen shoulder (₹ 14,216), hill side drain clearance (₹ 24,000), clearance of landslides (₹ 4,080), WBM Gr I (₹ 6.30 lakh), WBM Gr II (₹ 4.01 lakh), contingency (₹ 32,225) and departmental charges (₹ 1.44 lakh)

In reply (December 2013), the Department stated that the cost would be much higher than the estimated cost if the actual items of works carried out were considered. It was however not clear as to how the Department could carry out extra works with the amount of funds sanctioned in the estimated cost.

5.7.3 Construction of fencing at Singphan Wildlife Sanctuary

An amount of ₹ 1.95 crore was released to the Wildlife Warden, Dimapur by the Chief Wildlife Warden, Dimapur during February 2013 for implementation of works under TFC Grant. Out of this, an amount of ₹ 0.95 crore was shown as spent for procurement of materials and payment of wages for construction of fencing at Singphan Wildlife Sanctuary (SWS). As per the bills, 2710 RCC posts at a cost of ₹ 0.28 crore and GI Chain Link (12400 sqm) at a cost of ₹ 0.33 crore were purchased and the whole amount was spent in February 2013 itself. It was however, seen from the photograph enclosed with the Utilisation Certificate that GI Chain Link Fencing with Angle Posts were constructed though no expenditure was incurred for procurement of Angle Posts. Further, it was also stated by the Range Forest Officer, SWS that the fencing was done with Angle Posts. Thus, the expenditure incurred on the work was excessive and needs further investigation.

In reply (November 2013), the Department while accepting the fact that Angle Posts were used instead of RCC posts for construction of the fencing stated that the cost were comparatively almost same. However, the fact remained that expenditure was incurred for procurement of RCC posts as per the records.

5.7.4 Construction of Ditch Fencing at Intanki National Park

A DPR at an estimated cost of ₹ 1.50 crore to be funded under HUDCO loan was submitted (July 2008) for construction of Ditch Fencing²⁴ at Intanki National Park with the objectives to reduce man-animal conflict and act as barriers to animals especially straying of wild elephants. After the loan was sanctioned, a revised estimate was submitted (March 2009) after reducing the length of the ditch fencing²⁵ and including two additional works²⁶. An amount of ₹ 1.32 crore was drawn by Wildlife Warden, Dimapur and released to the Range Forest Officer, Intanki National Park for execution of the works during March 2009.

It was seen from the Measurement Book (MB) that an amount of ₹ 1.27 crore was spent on procurement of construction materials and payment of wages during March 2009 without recording measurements, date of commencement/completion or specifying the nature of work executed. Therefore, the actual works executed and whether it was as per the estimate could not be verified and needs further investigation.

In reply (November 2013), the Department stated that the works were executed as per the estimate. However, the fact remained that the actual measurements, date of commencement/completion etc. were not recorded in the MBs.

²⁴ Length-15.65 km, depth-1.83 m and width-2.44 m (top) and 1.52 m (bottom)

²⁵ From 15.65 km to 7.5 km (₹ 0.66 crore)

²⁶ (i) Protection camp at Intanki National Park (₹ 0.63 crore) and (ii) Security trenching around the protection camp (₹ 0.30 crore)

5.7.5 Construction of Office Complex and staff quarters at Forest Colony, Dimapur

Construction of Office Complex and staff quarters at Forest Colony, Dimapur was taken up (February 2006) at an estimated cost of ₹ 21.43 crore. The work was to be executed by the Engineering Wing attached to the office of the PCCF through a contractor²⁷. Work order was issued (February 2006) to the contractor for the estimated amount with the stipulation that work should be completed in 36 months.

Scrutiny of records made available to audit revealed the following:

(i) Preparation of inflated revised estimate

A revised estimate was prepared (date of revision and Government approval not on record) and the cost of work increased from ₹ 21.43 crore to ₹ 42.97 crore. However, except revised estimate submitted to C.E PWD (Housing) for technical sanction, other relevant records including copy of Government approval of the revised estimate was not furnished. Though the cost of work was revised to double the original cost, the scope of work was seen to be substantially reduced with the major changes being reduction in the number of Type-II buildings from 12 to 5 and cancellation of 2 nos of Type-VI buildings having estimated cost of ₹ 6.89 crore²⁸ in the original estimate.

The reasons for revision of the estimate to almost double despite substantial reduction in the scope of work could not be stated. Government approval of the revised estimates was also not furnished.

In reply (December 2013), the Department stated that the revision became necessary as the original estimate was framed on the basis of plinth area while the contractor submitted tender on item rate. It was further stated that no provision was kept in the original estimate for departmental charges, electrification, service connection, road and landscaping of office compound and sanitation. Though it was stated that the revised estimates have been technically approved by competent authority, Government approval or the date of approval was not furnished.

(ii) Excess expenditure due to allowance of higher rates

Scrutiny of MBs and running bills revealed that the rates allowed for some items²⁹ were more than double the rates in NPWD SOR 2010 though the work order was issued during February 2006. Allowance of higher rates resulted in excess expenditure of ₹ 5.89 crore.

In reply (December 2013), the Department stated that item based rates and not rates as per SOR were approved by the Government. The fact however, remained that exorbitant rates were allowed in February 2006 which was even higher than the NPWD SOR 2010.

²⁷ M/s Singh Construction Co. Dimapur

²⁸ As per original estimate-- Type-VI quarters (2 Nos) @ ₹ 169.08 lakh Type-II quarters (7 Nos) @ ₹ 520.31 lakh.

²⁹ Rate for Torsteel work was @ 70,777 p/MT SOR while ₹ 90,000 p/MT was allowed. Similarly, the rate as per SOR for 1st class wood rebated frames 15x50mm (windows and doors) was ₹ 46,552.30 p/cum while ₹ 85,000/- p/cum was allowed.

(iii) Excess over revised estimates

As per the contract agreement, centage charges³⁰ of 12.50 *per cent* was added to the value of civil works to arrive at the total estimated cost. As such, if 12.50 *per cent* was deducted, the actual value of civil work in the revised estimate was only ₹ 36.38 crore³¹. However, it was seen that payments amounting to ₹ 39.49 crore for the civil works had been made to the contractor in 6 RA bills resulting in excess of ₹ 3.11 crore over the revised estimated cost.

In reply (December 2013), the Department stated that the value of civil works was increased from ₹ 36.38 crore to ₹ 41.67 crore as recommended by the building Committee. However, no supporting documents were furnished.

(iv) Allowance of exorbitant rate and payment for work not executed

Scrutiny of MBs revealed that exorbitant rates (₹ 1000 per sqm.) was allowed for ‘distempering’. The rate allowed for distempering to another contractor for Kohima Office Complex Building³² was only ₹ 68.61 per sqm. The quantity of work shown to have been executed in the MB was 59433.6 sqm and an amount of ₹ 5.94 crore was paid³³ to the contractor against ‘Distempering with oil bound distemper, surface and ceiling in 6 mm thick plaster & 12 mm thick’ for all type of buildings as detailed in the table below:-

Table 5.12: Quantity of work shown as executed and amount paid

Sl.No	RA Bill	Type of building	Qty.	Unit	Rate	Amount paid (in ₹)
1	2 nd	Office Building	8615.80	Sqm	1000	8615800
2	4 th	Type III quarters	9706.40	Sqm	1000	9706400
3	5 th	Type II quarters	10010.00	Sqm	1000	10010000
4	5 th	Type IV quarters	11125.00	Sqm	1000	11125000
5	6 th	Type II quarters	8430.40	Sqm	1000	8430400
6	6 th	Type V quarters	11546.00	Sqm	1000	11546400
Total			59433.6			59434000

(Source:-Departmental records)

During joint physical verification along with the Executive Engineer, Forest Department, it was seen that the work of distempering with oil bound distemper was not actually executed.

In reply (December 2013), the Department stated that item rates and not SOR rates were approved by Government. However, the fact remained that the rate allowed on this item of work which was not even executed was exorbitant. Further, no reasons were stated for payment made for work not actually executed.

5.7.6 Doubtful expenditure against construction of residential office

Scrutiny of records in the office of the PCCF revealed that an amount of ₹ 17.77 lakh (₹ 8.25 lakh during 2010-11 and ₹ 9.52 lakh during 2012-13) was spent for construction of residential office attached to PCCF’s quarter at Kohima. As per bills furnished, the work was done departmentally and the payments were shown against purchase of materials and payment of wages during March 2011 and March 2013. Further scrutiny of bills revealed that construction materials were randomly procured. For instance, 27 bundles of CGI sheets (₹ 1.52 lakh) which could cover an area of 1412.30 sqm was procured whereas only 56.87 cft of

³⁰ Consultancy fee and electrification charges @ 5 *per cent* each and contingencies charges @ 2.50 *per cent*

³¹ ₹ 41,67,60,557-₹ 5,19,70,070 (12.5%)

³² Work order issued in February 2009

³³ 2nd, 4th, 5th & 6th Running Account Bill

wood was purchased. Further, a large quantity of cement (800 bags) and bricks (67000) were shown as procured. Despite requisition (June 2013), the estimate of the work and the type/specifications of the building constructed was not furnished. The expenditure on the work was prima facie excessive and hence the entire expenditure was doubtful.

In reply (November 2013), the Department stated that bills furnished to audit included those for purchase of construction materials for other works and hence the expenditure was not excessive. However, scrutiny of the bills revealed that the whole expenditure was booked against this particular work.