

**CHAPTER – I**  
**SOCIAL SECTOR**

## CHAPTER - I

### SOCIAL SECTOR

#### 1.1 Introduction

This Chapter of the Audit Report for the year ended 31 March 2015 deals with the findings on audit of the State Government units under Social Sector.

The departments of the State Government under Social Sector and their total budget allocation vis-a-vis expenditure during 2014-15 are given below:

Table No. 1.1.1

₹ in crore

Name of the Departments	Total Budget allocation	Expenditure
School Education	1277.21	925.72
Technical Education	50.19	19.66
Higher Education	160.18	117.00
SCERT	42.97	27.35
Youth Resources and Sports	61.16	37.14
Art and Culture	18.51	17.61
Health and Family Welfare	521.09	418.09
Water Supply & Sanitation	216.89	164.46
Urban Development	247.40	84.00
Municipal Affairs	31.36	22.70
Information and Public Relations	24.25	22.94
Labour	15.10	11.15
Employment and Training	27.58	23.59
Social Welfare	204.85	154.24
Women Welfare	8.55	7.02
<b>Total Number of Departments=15</b>	<b>2907.29</b>	<b>2052.67</b>

Source: Appropriation Accounts

#### 1.2 Planning and Conduct of Audit

Audit process starts with the assessment of risks of various departments of Government based on expenditure incurred, criticality/complexity of activities, level of delegated financial powers, assessment of overall internal controls and concerns of stakeholders.

After completion of audit of each unit on a test check basis, Inspection Reports containing audit findings are issued to the heads of the departments. The departments are 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 based on reply/action taken or further action is required by the auditee for compliance. Some of the important audit observations arising out of the Inspection Reports are processed for inclusion in the Audit reports, which are submitted to the Governor of the State under Article 151 of the Constitution of India for being laid on the table of the Legislature.

During the year, test check of audits involving expenditure of ₹ 3026.22 crore (including funds pertaining to previous years audited during the year) of the State Government under Social sector were conducted. This Chapter contains findings on the audits of 'Youth Resource and Sports Department', 'Mid Day Meal Scheme' and 'Industrial Training Institute' and two compliance audit paragraphs.

## **Performance Audits**

### **DEPARTMENT OF YOUTH RESOURCE AND SPORTS**

#### **1.3 Functioning of Youth Resources and Sports Department**

Promotion and development of sports are integral part of an all-round development of the human personality. It also promotes good health, camaraderie and a spirit of friendly competition which has a positive impact on the overall personality development. Several lapses in planning, financial management, construction and management of sport infrastructure were noticed. Only aspect worthy of appreciation noticed was there was no gender bias in selection of sportspersons for imparting training at two training establishments in the State.

#### **Highlights**

*Failure to prepare a developmental plan for sports and youth activities led to adhoc promotion of sports and culture in the State.*

##### **Paragraph 1.3.8.1**

*Search programme for scouting for talents at sub-division level were not conducted resulting in lost opportunity of tapping into sports talents at the grass root level.*

##### **Paragraph 1.3.9.2**

*GoN did not release funds under PYKKA resulting in refund of ₹ 1.27 crore to the GoI including penal interest of ₹ 0.24 crore.*

##### **Paragraph 1.3.9.2**

*The Department of Youth Resources and Sports (DYRS) diverted ₹ 5.71 crore from the approved developmental activities by violating the conditions of the sanction.*

##### **Paragraph 1.3.9.3**

*Multi-disciplinary Sport Complex was not functional despite an expenditure of ₹ 58 crore incurred on its construction.*

##### **Paragraph 1.3.10.2 (i)**

*Sports infrastructure created at ₹ 45.43 crore to develop the cricket stadium at Sovima failed to meet National/International standards.*

##### **Paragraph 1.3.10.4**

*DYRS released ₹ 6.02 crore against unexecuted items of work by recording fraudulent measurement in the Measurement Book against seven projects.*

##### **Paragraphs 1.3.10.6 and 1.3.10.7**

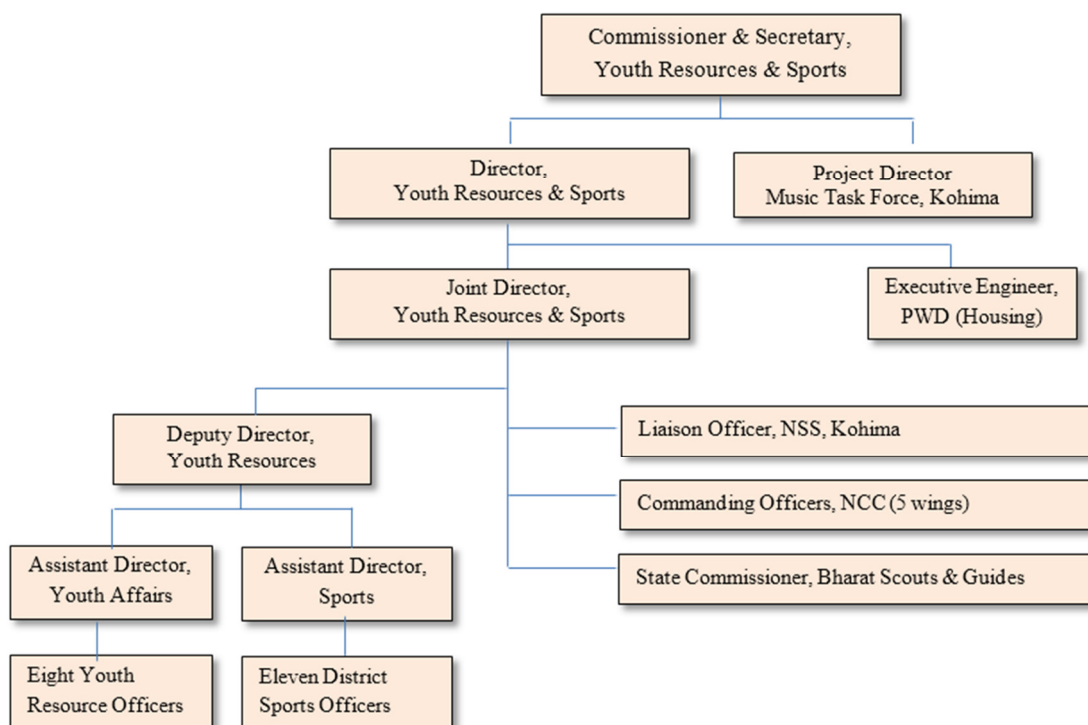
### 1.3.1 Introduction

The Department of Youth Resources and Sports (DYRS)<sup>1</sup> aims to provide adequate resources and infrastructure to the youth in the State to develop their talents and nurture the mind to a meaningful and rewarding career. To uplift the youth in the State, “Nagaland Sports Policy 2006” and “Nagaland Youth Policy 2006” were formulated focusing to facilitate a multi-dimensional and integrated approach to accelerate various youth programmes and sports.

### 1.3.2 Organisational Setup

The organisational arrangement of the Department is structured below:

Chart: 1.3.1



### 1.3.3 Audit objective

The objectives of the Performance Audit were to assess whether:

- The planning for development and promotion of potential talent of youth of the State was adequate;
- The fund allotted were utilised in an economic and effective manner;
- Programme/projects/activities were executed efficiently and economically to achieve intended goals; and
- Adequate management control system exists for assessing, monitoring and reporting of the programmes.

<sup>1</sup> Renamed in 1993.

#### **1.3.4 Scope of audit**

The Performance Audit covered the period from 2010-15. The audit covered the offices of the Directorate of Youth Resources and Sports, Engineering wing of DYRS, Music Task Force and four District Youth Resources and Sports offices. We also covered 19 completed and 27 on-going projects out of 90 infrastructure development projects implemented during 2010-15.

#### **1.3.5 Audit methodology**

Audit methodology comprised of an entry conference (April 2015), requisition and examination of documents/records, interview with various stakeholders, issue of audit observations, examination of responses to audit observations, joint physical verifications, photographic evidences, beneficiary survey, issue of draft report to the Government to solicit their replies and an exit conference (September 2015). The replies received and the views expressed during exit conference were considered and incorporated in the report.

#### **1.3.6 Audit criteria**

The findings were benchmarked against the following criteria:

- Nagaland Sports Policy 2006 and Nagaland Youth Policy 2006;
- Annual plan and activity reports;
- Detailed Project Reports of the developmental activities;
- Conditions and norms for release of funds;

#### **1.3.7 Acknowledgement**

We express our appreciation for the co-operation and assistance accorded to us by the Department at all levels during audit.

#### **Audit findings**

The audit findings are discussed in the following paragraphs.

#### **1.3.8 *Planning for development and promotion of potential talent of the youth of the State.***

##### **1.3.8.1 Preparation of development plan for sports and youth activities**

Activities related to sports and youth affairs are essential components for human resource development, which need a broad-based forecasting through development plans. The plan should focus on organising sports and youth events to tap and harness the latent talents. The Nagaland sports policy envisaged that DYRS should prepare sports development plan in which the State Council of Sports (SCS) and Sports Associations (SA) are to be associated. While drawing up the plan, the DYRS also should obtain the views of District Sport Councils (DSC) to identify and groom young sports talents in the districts.

Examination of records revealed that development plan to cover the sports and games, youth affairs, physical education and infrastructure creation was not prepared.

DYRS stated (July 2015) that due to irregular earmarking of funds by GoN, annual developmental plans were not prepared. It is therefore evident that all the sports and youth activities during 2010-15 were organised without any planning resulting in poor promotion of sports culture and infrastructure in the State despite the State being home to several medal winners and athletes.

The Department accepted (September 2015) the audit finding.

### **1.3.8.2 Action plan for Sports activities**

Nagaland Sports Policy 2006 envisaged review of the Sports Policy once in two years according to the potential, popularity and performance of a game in consultation with Nagaland Olympic Association (NOA) and Sports Associations (SA). It also envisages organising of activities like road shows and “catch them young” tournaments at sub-division/district level to open a forum for youth to exhibit inherent talents, appropriate inter-school and inter-college/university competitions at the State and District levels by drawing a joint action plan with NOA and SA to integrate sports with education curriculum, survey to identify the gap in infrastructure, manpower, sports equipment, sports and youth activities in collaboration with the DSCs etc.

Our examination of records revealed the following:-

- The Sports Policy of 2006 was not reviewed as per potential, popularity and performance of local sportspersons in various games as of June 2015.
- Road shows and talent search programmes for scouting for talents at sub-division level were not conducted during 2010-15. It was seen that, DYRS conducted "catch them young" tournament at State level but not at the district/sub-division level resulting in lost opportunity of tapping into sports talents at the grass roots level.
- Inter-school and inter-college/university competitions were not introduced at the State/district level to integrate sports with education curriculum.
- Surveys were not carried out to identify the gap in infrastructure, manpower, sports equipment, sports and youth activities in the State. Instead these were taken up according to the availability of fund in an adhoc fashion.

Eight coaches out of 34 stated during the interview to Audit (June 2015) that due to improper planning and coordination with the institutions, the talented sportsperson at grass roots level remained unexposed. These persons might have the potential to bring laurels to the State as well as to the Nation. This was also affirmed by the representatives from eight out of 22 sports association present during interview (July 2015).

The Department accepted (September 2015) the audit finding.

### **1.3.8.3 Promotion of youths resources**

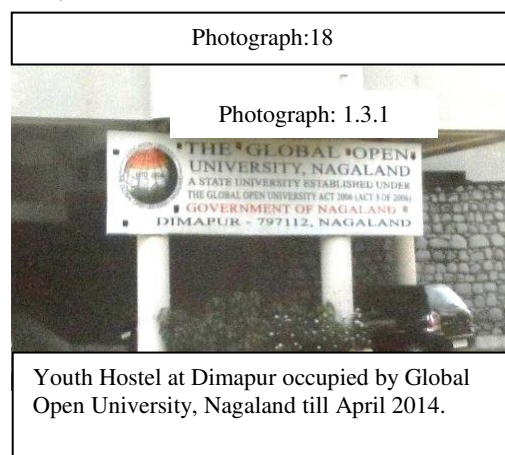
GoN in Nagaland Youth Policy 2006 has reiterated its commitment for the all-round development of youth in the State. The policy aims to fulfil the aspirations of youth and also to develop their personality to rise up to new challenges. The main focus of the Policy were promotion of traditional Naga sports to help youth from grassroots, organising of State Youth Festival every year, construction of Youth hostels at places of historical and cultural interest to promote youth tourism, etc.

Our examination of records revealed the following:

- Promotion of traditional Naga sports to lift the aspiration of local youth was not carried out.
- The state youth festivals organised were limited to only five disciplines<sup>2</sup>.
- Four Youth Hostels were constructed at (a) Dimapur, (b) Mokokchung, (c) Mon and (d) Kohima to promote Youth tourism in the State.

However, we observed the following:

(a) Youth Hostel, Dimapur constructed (1990) at a cost of ₹ 0.50 crore was leased<sup>3</sup> to the Global Open University, Nagaland (**Photograph:1.3.1**) from April 2007 to April 2014. No activities related to promotion of sports and youth was conducted during the leased period. The lease was discontinued (May 2015) as per the directives (August 2012) of the Ministry. During the course of audit it was also observed that during the period of lease, DYRS collected only ₹ 0.09 crore against the rent dues of ₹ 0.17 crore. Joint inspection (May 2015) revealed that the hostel remained closed since taking over from the university as it was in a deplorable state. The DYRS stated (September 2015) that the hostel will be utilised after minor renovation. However, the fact remained that the promotion of youth tourism suffered in Dimapur district.



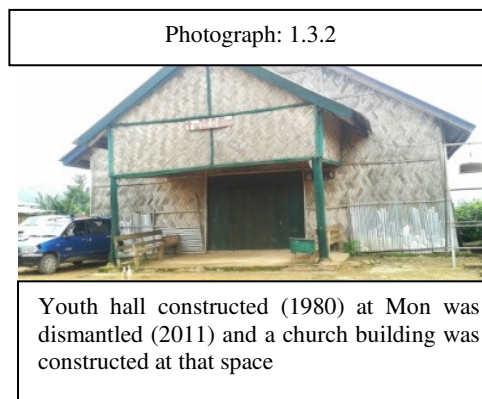
(b) The Youth Hostel Mokokchung, was not completed even after a lapse of 24 years although ₹ 50 lakh was spent on its construction. The GoN approved (June 2013) another ₹ 2.50 crore for its completion which is yet to be completed (August 2015).

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<sup>2</sup> Folk Song, Folk Dance, Guitar recital, elocution and one act play.

<sup>3</sup> ₹ 20,000/ month.

(c) Youth hall constructed (1980) at Mon (cost of construction not furnished) was dismantled (July 2011) and a church building (**Photograph: 1.3.2**) was constructed there. The unauthorised construction was recommended by the Deputy Commissioner, Mon.



(d) Youth Hostel<sup>4</sup> constructed (1993) at Kohima is being utilised as office of DSO and YRO, Kohima since 2003. The Department accepted (September 2015) the audit findings.

Thus, the youth hostels constructed were not utilised for the designated objectives defeating the stated policy of the promotion of youth in the State.

### 1.3.9 Financial Management.

Financial management system should be designed to control and monitor the fund flow to implement the programmes in a timely manner to achieve the intended objectives. Funds under CSS programmes were in the ratio of 90:10 between GoI and GoN. The release of instalments by GoI were on the basis of furnishing utilisation certificates, quarterly progress reports, photographs of the works completed and the inspection report of the nodal officers indicating the physical and financial progress of the project. Funds under the central pool must be released to the implementing agency/project authority<sup>5</sup> by the State Government within 15 days of date of receipt of the fund from the GoI and a certificate to this effect should be sent to the Ministry by the State Planning Department. Funds under *Panchayat Yuva Krida aur Khel Abhiyan* (PYKKA) and Urban Sports Infrastructure Scheme (USIS) programmes laid down a condition that the grantee should not divert the grants or entrust execution of scheme or work concerned to another institution or organisation and should abide by the terms and conditions of the grant. If the grantee failed to utilise the grant for the purpose for which the same had been sanctioned, the grantee should refund the amount of grant with interest thereon at the rate of 10 percent per annum.

#### 1.3.9.1 Budget outlay

The Nagaland Sports/Youth Policy 2006 envisages that all departments should provide five per cent of their budget for youth development programmes through DYRS.

The budgetary outlay of the DYRS with respect to the total budgetary outlay of the State during 2010-15 ranged from 0.46 per cent to 1.39 per cent. The details are given below:

<sup>4</sup> Cost of construction was not furnished.

<sup>5</sup> Executive Engineers, PWD (R&B) at Divisions.



**Table: 1.3.1**

₹ in crore

Year	State budgetary outlay	Budgetary outlay of DYRS	Percentage of Col. No. 3 with respect to Col. No. 2
1	2	3	4
2010-11	5664.15	70.58	1.25
2011-12	6540.75	90.86	1.39
2012-13	7683.96	79.08	1.03
2013-14	7951.54	73.01	0.92
2014-15	7972.00	36.53	0.46
<b>Total</b>	<b>35479.13</b>	<b>353.06</b>	<b>0.99</b>

(Source: Departmental data)

Allocation of negligible resources for sports and youth activities indicate the low priority accorded towards development of sports and youth activities in the State.

The Department accepted (September 2015) the audit finding.

In audit instances of diversion of funds, delay or non-execution of projects were noticed, which are discussed in the succeeding paragraphs.

### 1.3.9.2 Fund position

The fund position of the Department for the years 2010-15 are as detailed below:

**Table:1.3.2**

₹ in crore

Year	Opening Balance				Fund Received				Expenditure				Closing balance			
	CSS	State Plan	Non Plan	Total	CSS	State Plan	Non Plan	Total	CSS	State Plan	Non Plan	Total	CSS	State Plan	Non Plan	Total
2010-11	0.91	7.08	0.48	8.47	9.60	51.17	9.81	70.58	8.21	32.68	10.26	51.15	2.30	25.57	0.03	27.90
2011-12	2.30	25.57	0.03	27.90	14.30	65.16	11.4	90.86	16.56	48.87	9.47	74.90	0.04	41.86	1.96	43.86
2012-13	0.04	41.86	1.96	43.86	9.58	53.96	15.54	79.08	9.62	66.26	12.60	88.48	0	29.56	4.90	34.46
2013-14	0	29.56	4.90	34.46	13.98	43.44	15.59	73.01	13.07	49.99	12.58	75.64	0.91	23.01	7.91	31.83
2014-15	0.91	23.01	7.91	31.83	4.24	16.43	15.86	36.53	4.68	21.92	23.21	49.81	1.59	16.40	0.56	18.55
<b>Total</b>					<b>51.70</b>	<b>230.16</b>	<b>68.20</b>	<b>350.06</b>	<b>52.14</b>	<b>219.72</b>	<b>68.12</b>	<b>339.98</b>				

(Source: Departmental data)

Our examination of records revealed the following:

- GoI released ₹ 30.66 crore for construction of eleven sports infrastructure projects (Construction of mini outdoor stadium at Wozuro: ₹ 1.98 crore, Construction of Multi Disciplinary Outdoor complex at New Peren: ₹ 3.00 crore, Construction of Outdoor stadium at Pughoboto: ₹ 2.24 crore, Construction of Outdoor stadium at Mon: ₹ 2.01 crore, Construction of Multipurpose stadium at G Rio, Kohima: ₹ 1.18 crore, Construction of Multipurpose stadium at Pfutsero: ₹ 3.00 crore, Construction of Multipurpose Indoor stadium at Sanis: ₹ 3.37 crore, NLCPR Projects: Construction of Swimming Pool at Dimapur: ₹ 0.94 crore, Construction of Indoor and Outdoor Stadium at Peren Government College, Peren: ₹ 2.90 crore, Construction of Football Stadium at Tobu HQ in Mon District: ₹ 0.96 crore and Construction of multipurpose hall at Longleng: ₹ 9.08 crore) against which GoN was to release ₹ 3.65 crore as matching share. However, GoN released only ₹ 1.71 crore resulting in short release of ₹ 1.94 crore.

- DYRS held closing balances ranging from ₹ 18.55 crore to ₹ 43.86 crore during 2010-15. Out of the closing balance, retention of the sports infrastructure development funds ranged from 96 to 97 per cent indicating poor implementation of the task of development of sports infrastructure by the DYRS. The Department stated that the retention was due to the release of funds at the end of financial year.
- Against four sports infrastructure projects to be created in the State under Non Lapsable Central Pool of Resources (NLCPR) funding, GoI did not release subsequent instalments of ₹ 8.05 crore due to the GoN defaulting in the release its matching share. Details are given below.

		<b>Project Cost</b>	<b>Amount not released</b>
1	Construction of Swimming Pool at Dimapur	₹ 2.60 crore	₹ 1.40 crore
2	Construction of Indoor and Outdoor Stadium at Peren Government College, Peren	₹ 8.23 crore	₹ 4.51 crore
3	Construction of Football Stadium at Tobu HQ, Mon	₹ 2.67 crore	₹ 1.44 crore
4	Construction of Multi-purpose stadium at Pfutsero, Phek	₹ 4.16 core	₹ 0.70 crore

Therefore the completion of the projects was stalled/delayed

- Out of the CSS fund, ₹ 16.76 crore was earmarked for implementation of nine projects, out of which GoN parked ₹ 11.60 crore in civil deposit for periods ranging from 3 to 12 months in violation of the norms prescribed by GoI.
- The Ministry of Youth Affairs and Sports, GoI released (September 2012) ₹ 0.91 crore for conducting rural competitions and ₹ 0.12 crore for North East games. However, DYRS could not conduct the competitions due to corresponding amounts not being released by the GoN. The Ministry directed (July 2014) the DYRS to refund the grant including the penal interest (10 *per cent*) as per the guidelines of the programme. The DYRS refunded (March 2015) ₹ 1.27 crore including penal interest of ₹ 0.24 crore to the Ministry.
- During 2008-13, GoI released ₹ 16.95 crore for implementation of PYKKA, against which matching share of the State worked out to ₹ 1.88 crore, where the actual amount released by the State was ₹ 1.42 crore resulting in a short release of ₹ 0.46 crore. As per PYKKA guidelines, funds should be transferred to the DSOs for onward transfer to the implementing agencies.

Out of total release of ₹ 18.37 crore by GoI and GoN, only ₹ 13.43 crore was accounted for in bank accounts maintained at Axis Bank, Kohima.

Out of the total amount of ₹ 18.47 crore available (including ₹ 0.10 crore received as interest), only ₹ 12.87 crore was released to DSOs/implementing agencies. Further, ₹ 1.03 crore was refunded to GoI. Of the remaining amount of

₹ 4.57 crore, ₹ 0.89 crore was paid to individuals who were not legitimately entitled to receive them (**Appendix 1.3.1**). As of March 2015, there was a balance of ₹ 0.02 crore. Thus, the balance of ₹ 3.66 crore remained unaccounted and the possibility of misutilisation of this amount cannot be ruled out.

In reply, the Department furnished (September 2015) utilisation certificate for ₹ 17.39 crore excluding the amount refunded to Ministry.

The instances of short release of matching share, heavy retention of balances, misutilisation of Government money were indicative of poor financial accountability of GoN/the Department. Also, implementation of the scheme was impacted adversely.

### **1.3.9.3 Diversion of fund**

GoN accorded sanction for developmental activities by specifying the nature of activities to be undertaken and funds to be utilised for the purpose for which it was sanctioned. Examination of records revealed that there were diversions of funds from the purpose for which sanction was accorded, as detailed in the table below:

**Table: 1.3.3**

₹ in crore

Year of sanction	Amount sanctioned	Purpose of sanction	Amount diverted	Purpose of which diverted
2013-14	0.50	Young Naga Achievers award 2013-14	0.50	Purchase of sports goods such as TT tables, Footballs, Volleyballs, Badminton rackets, Volleyball nets, TT balls etc.
2011-12	0.50	Dr. T. Ao cash award for best coaches, eminent sports person or best institution to promote sports and games in the State	0.25	
2007-08	1.44	Under Prime Minister's package, for construction of swimming pool at IG stadium, Kohima	1.44	Construction of girls Hostel at IG stadium.
	4.16	Under Prime Minister's package, for construction of synthetic track at IG stadium, Kohima	3.52	
<b>Total</b>			<b>5.71</b>	

Source: Departmental data

It would be seen from the table above that the DYRS diverted ₹ 5.71 crore from approved developmental activities by violating the conditions of the sanction.

The Department accepted (September 2015) the diversion and stated that this was done after obtaining approval from the State Government in the first two instances to execute the developmental activities. Diversion without approval of funding agency is unauthorised. The fact remains that diversion of funds especially meant for construction of swimming pool and synthetic track sanctioned under PM's package would adversely impact on training of sportspersons. Funds for construction of girls' hostel could have been arranged from other sources such as State Plan fund.

#### 1.3.9.4 Consultancy charges

The Nagaland Public Works Department (NPWD) Code broadly envisage that DPR prepared by the Department or consultant should be comprehensive, supported by complete details, drawings and design calculations.

GoN provided for consultancy charges at the rate of 4 *per cent* of the cost of the DPR. 10.30 *per cent* service tax charged on the claim was to be released to the consultant on furnishing the required certificate issued by the appropriate authority. The examination of records pertaining to consultancy charges paid in respect of 22 DPRs prepared by the consultants revealed that:

- As stated by EE (H) DYRS, the selection of the consultants for preparation of DPRs was made by the VIPs (the Ministers and the Parliamentary Secretaries of the State Government).
- The DYRS, awarded consultancy contract to M/s Zynorique, Kohima for preparation of DPRs for six projects (total cost of six DPRs - ₹ 148.05 crore) and M/s Planning Consortium, Dimapur for one project. (cost of one DPR - ₹ 14.22 crore). However, the consultancy charges of ₹ 8.11 crore were paid at the rate of 5 *per cent* instead of 4 *per cent* of the cost of DPR, which works out to ₹ 6.49 crore for the seven DPRs. Thus, by settling the claim of consultancy charges at the higher rate, the DYRS incurred an excess expenditure of ₹ 1.62 crore.

The Department accepted (September 2015) the audit finding and stated that the consultancy fee at the rate of 5 *per cent* was paid as per the approval of Chief Engineer PWD (Housing). The extra amount paid needs to be recovered from the consultants and disciplinary action initiated against the Chief Engineer for loss to Government.

#### 1.3.10: Execution of programme/projects/activities

Nagaland Sports Policy 2006 aims to promote sports activities in which the State has potential strength (in 10 disciplines) and also to provide required infrastructure and opportunities to sportspersons so that the State can produce sportspersons of national and international quality. The Policy also aims to motivate the Naga youth positively and channelise their energy to sports, to build characteristics of leadership, team spirit, harmony, peace, competitive sports and make them healthy to contribute to the socio-economic development in the State as well as in the nation.

#### 1.3.10.1 Detailed Project Report

An important activity before implementation of any project is to prepare Detailed Project Reports (DPRs) after conducting feasibility study consisting of survey, technical specifications, plans and drawings and detailed estimate of each item of work. During 2010-15, 90 DPRs for development of sports infrastructure was prepared and approved by the GoI/GoN. Examination of the DPRs revealed the following:

(a) The NOA/SSC, DSCs and SAs were not associated in the assessment of sports infrastructure while framing the DPR. For instance, the badminton stadiums in the State were constructed without meeting the requisite standards<sup>6</sup> and unfit for organising national badminton events. This was also confirmed by the coach and SA during interview.

(b) Three DPRs<sup>7</sup> for projects at Sovima approved by the DYRS were not supported by detail drawings and design calculations to arrive at the quantities. These DPRs were prepared anticipating escalation for two years as per RBI index 7.5 *per cent* per annum over and above the rate of items in SOR. Thus, by anticipating the escalation for two years, the total project cost was enhanced by ₹ 0.76 crore.

(c) Two DPRs<sup>8</sup> were prepared without survey reports, technical specifications, plans & drawings and detailed estimate of each item of work. However, the Chief Engineer CE, Housing, PWD vetted and approved these DPRs.

The Department accepted (September 2015) the audit findings and assured that corrective measures will be taken.

#### **1.3.10.2 Deviation of projects due to revision of DPRs**

Para 204 of the NPWD code envisage that when owing to modification or deviation from the original proposals or when the preparation of the detailed estimate or during the course of execution, it becomes apparent that the cost of the work would exceed the administratively approved amount by more than 10 *percent*, revised administrative approval for the enhanced expenditure must be obtained; similar steps must be taken if the original proposals are deviated from, even if no increase is incurred.

Examination of records of the projects revealed the following:

##### **(i) Multi-Disciplinary Sports Complex at Dimapur**

The objective of Multi-Disciplinary Sports Complex (MDSC) at Dimapur was (a) to promote world class sports talents; (b) to expose the budding talents to world class competitions; (c) to encourage research and documentation of traditional sports; (d) to channelize the frustration and lack of direction of the youth towards constructive and responsible goals; and (e) also to keep abreast of the latest scientific and technological approaches to the sports and games. The mega complex was to include main athletic stadium with football ground and 400 m track, landscaped central island, archery range, swimming pool, velodrome complex, air conditioned indoor stadium, public parking to accommodate 500 cars, hostel blocks for boys and girls, guest house, sports medicine centre and helipad. The funds for execution of the project were to be met from Special Plan Assistance (SPA).

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<sup>6</sup> Poor light system and B class wood flooring instead of A class wood flooring in the badminton stadium.

<sup>7</sup> Construction of Archery Academy, Shooting Center and Motorsports Center at Sovima, Dimapur.

<sup>8</sup> Construction of Archery Academy at Sovima, Dimapur and laying of Synthetic track at IG Stadium, Kohima.

The DYRS took up (December 2005) the project in a phased manner and completed (June 2007) construction of the boundary in first phase. In the second phase, development of playground and site grading for an estimated cost of ₹ 13.40 crore was simultaneously taken up (December 2005) and physical progress of 83 per cent was achieved after incurring an expenditure of ₹ 10.78 crore. In the third phase, DPR for civil and allied works for main athletic stadium with seating capacity of 30,000 persons at a total estimated cost of ₹ 60.57 crore was prepared. The work was awarded (December 2006) to M/s. NN Construction & Décor for ₹ 55.28 crore. As per the terms and conditions, the work was to be completed by June 2009. No enhancement of rate other than price escalation (as per RBI index) in accordance with CPWD's Clause No. 10 CC was admissible. The work actually commenced in January 2008.

Photograph: 1.3.3



Construction of Gallery at the Main Athletic Stadium at MDSC, Dimapur.

For this project, GoN released ₹ 58 crore<sup>9</sup> to the DYRS at regular intervals during 2009-13. The estimated cost of the project was, however, revised to ₹ 134.99 crore<sup>10</sup> (123 per cent above) from ₹ 60.57 crore and was approved (March 2012) by the GoN as per the recommendations of technical committee.

CE, PWD (Housing) while proposing revision stated that the revision was due to escalation of material cost since 2008 and insufficient provision of fund to settle the claim of the contractor. It was, however, observed that there was no record to substantiate that the payment was not made to contractor due to paucity of funds. DYRS also paid ₹ 5.57 crore<sup>11</sup> to the contractor towards price escalation in five RA Bills. Even after the extension of time, the contractor could attain physical achievement of only 55 per cent delaying the completion of work. Joint inspection (May-June 2015) revealed that the work was stopped since December 2012 (*Photograph:1.3.3 above*).

In reply, the Department stated (September 2015) that the revision was necessitated for electrical work, seating gallery stands, plain cement flooring skirting, exterior plastering, additional seating and roofing areas.

<sup>9</sup> ₹ 33crore from SPA, ₹ 15crore from State earmarked and ₹ 10crore under ACA = ₹ 58.00 crore

<sup>10</sup> Total revised estimate of the project (100.00 crore) + Provisioned for internal electrification @ 8 per cent (8.00 crore) + Consultancy charges (₹ 5.97 crore) + contingencies (₹ 3.42 crore) + departmental charges (₹ 15.26 crore) + work charged establishment (₹ 2.34 crore) = ₹ 134.99 crore

<sup>11</sup> 1<sup>st</sup> to 3<sup>rd</sup> RA Bill for ₹ 1.00 crore (March 2011) plus 4<sup>th</sup> RA for ₹ 1.26 crore (July 2011) + 5<sup>th</sup> RA for ₹ 3.31=₹ 5.57 crore.



The Sporting complex is not functional as yet and expenditure of ₹ 58.00 crore incurred so far on its construction has remained unfruitful.

**(ii) Construction of Swimming Pool at Dimapur**

The Ministry of Development of North Eastern Region (DoNER) approved (September 2013) construction of a Swimming Pool at Dimapur for ₹ 2.60 crore under NLCPR in the land owned by the Nagaland Youth Gymnastic Club, Dimapur. Scheduled date of completion of the project was May 2016. The approved project was to cover an area of 2003.09 sq m to accommodate a swimming pool (525 sq m) with eight lanes, spectator gallery, changing rooms, store and entrance lobby with DYNA truss roofing. DYRS revised (May 2014) the plan into working estimate and awarded (May 2014) the work to M/s. Techno Enterprises for ₹ 2.52 crore to execute the project in a 1062.33 sq m area. Thus, the project area was compromised by 940.76 sq m by deviating from the approved DPR. The Ministry released (September 2013) first instalment ₹ 0.94 crore and DYRS incurred expenditure of ₹ 0.94 crore for structure gallery, changing room, store etc., (physical progress achieved as of May 2015 was 40 per cent).



Examination of records revealed that DYRS revised the DPR into working estimate by adding three new items and excess volume in 11 items for ₹ 0.63 crore and ₹ 0.44 crore respectively. Further, to compensate for the additional items in the working estimate, two items of works ₹ 0.38 crore were deleted and volume/quantity in 29 items of work ₹ 0.69 crore was reduced to match the approved cost of the project.

DYRS did not forward the revised working estimate for approval to the Ministry despite major variations from the approved plan (**Photograph 1.3.4**). During the joint inspection (May 2015) following deviations from DPR were noticed viz., (i) one-side gallery instead of it extending around the swimming pool, (ii) swimming pool in a corner instead of at the middle and (iii) deviation in roofing structure of the store and changing room etc..

While accepting the audit finding, the Department stated (September 2015) that the matter was brought to the notice of the Ministry of DoNER and the Ministry had conveyed that the fund utilisation was the prerogative of the State Government if it is within the sanctioned amount and for initially intended purpose.

**(iii) Construction of Community Centre at Chumukedima**

NEC, approved (March 2011) construction of a community centre at Chumukedima for ₹ 4.71 crore to develop community activities in Dimapur. As per the administrative approval, works should be awarded to a registered firm or contractor by constituting a committee or through the sports Engineering wing or through the PWD (Housing), GoN. Examination of records revealed that though a committee

consisting of seven members<sup>12</sup> was constituted, the committee never met to finalise the tendering, selection of contractor, etc. Four representatives NGOs, who were in the committee, finalised the tendering and selection of contractor without consulting the other committee members. The work was awarded (June 2011) to M/s. Universal Trading, Dimapur by the Chairman of the NGO (Jamina Multipurpose Co-operative Society) stipulating the completion of project by March 2014.

NEC released ₹ 1.56 crore in two instalments to the DYRS which was released directly to the NGO (Jamina Multipurpose Co-operative Society) without consulting the Engineering wing to ascertain the quantum of the work executed. The payment was made on the basis of expenditure statement furnished by the NGO. No monitoring of the progress of the work was done by DYRS.

The NEC officials during the inspection (November 2012) of the project noticed deviation from the approved DPR and the matter was reported to NEC. NEC permitted to revise the DPR taking into account the deviations already taken place during the course of work. GoN furnished (December 2014) a revised DPR for ₹ 4.52 crore. However, the NEC approved (May 2015) the project cost for ₹ 3.65 crore after considering the deviation.

Photograph: 1.3.5



Construction of community centre at Chumukedima at a cost of ₹ 1.56 crore

Joint inspection (May 2015) along with the Departmental officers revealed that the work was abandoned since March 2013 after achieving physical progress of 35 per cent (**Photograph:1.3.5**).

During the joint inspection, the delegate representing NGO (Jamina Multipurpose Cooperative Society) stated that the work would not be taken up in case the NEC did not agree to the proposal to revise the project cost to ₹ 4.52 crore. Thus, due to lack of proper monitoring by the DYRS there were deviation in the work, which necessitated revision of DPR. A stand-off on the revised cost resulted in abandonment of work and expenditure incurred on the project (₹ 1.56 crore) so far has remained unfruitful.

The Department while accepting the facts stated (September 2015) that the matter has been taken up with NEC to enter into a MoU with the NGO after the receipt of the revised approved DPR.

### 1.3.10.3 Centres of excellence at Kohima and Dimapur

The Centres of excellence located at Kohima and Dimapur were proposed to have adequate infrastructure and facilities to train youth/sportsperson. These centres should have separate wings for sports medicine and nutrition, physiotherapy etc., to provide scientific support in the field of nutrition and sports medicine.

<sup>12</sup>Three from Government and four from NGO.



Examination of records revealed that the DYRS created 12 infrastructure projects of ₹ 40.01 crore at these centres (Kohima and Dimapur) out of the approved cost of ₹ 50.39 crore as detailed below:

**Table: 1.3.4**

**₹ in crore**

Sl. No.	Name of the project	Location	Approved cost	Expenditure as of date	Status
1.	Shaded gallery	IG Stadium, Kohima	2.83	2.83	Completed
2.	Laying Synthetic Track		5.00	4.62	Completed
3.	Girls hostel		10.27	10.27	Completed
4.	Installation of Acoustic in Hall-A and Hall-B		5.00	5.00	Completed
5.	Boys hostel		1.73	1.73	Completed
6.	Hall-A		4.16	4.16	Completed
7.	Hall-B		9.73	9.73	Completed
8.	Administrative block		0.67	0.67	Completed
9.	Cricket Pitch and rostrum		1.00	1.00	Completed
10.	Regional shooting center	Sovima, Dimapur	2.75	0	Ongoing
11.	Archery range		2.75	0	Ongoing
12.	Motor sports centre		4.50	0	Ongoing
<b>Total</b>			<b>50.39</b>	<b>40.01</b>	

Source: Departmental data

Joint inspection (May-June 2015) revealed that scientific support in the field of sports medicine and nutrition were not provided at the centres of excellence. It was also noticed that no efforts were made by GoN to recruit scientific support staff in the field of sports medicine and nutrition. The absence of services was confirmed during interview (May-June 2015) with the coaches, sports association and the sportspersons at the two academies Kohima and Dimapur.

In reply, the Department stated (September 2015) that the nomenclature of centres of excellence at Kohima and Dimapur are under revision. Mere change in nomenclature will not, however, fill the void caused by lack of skilled support staff.

#### **1.3.10.4 Construction of cricket stadium, Sovima**

For construction of cricket stadium at Sovima, Dimapur, the DYRS framed (July 2007) DPR for ₹ 2.15 crore which was revised (July 2008) to ₹ 3.07 crore by incorporating additional items of work. Two<sup>13</sup> work orders were issued to M/s. RNDM Company for a total of ₹ 2.49 crore<sup>14</sup>. DYRS stated (May 2015) that work for ₹ 1.63 crore was executed (for construction of retaining wall and approach road only) and accordingly the payments were made to the contractor.

High Level Technical Committee (HLTC) approved (February 2010) the construction of cricket stadium at Sovima Phase-I to develop the playfield including earthwork, underground drain, play area and practice pitch etc. DYRS framed another DPR for construction of a cricket ground of international standards including construction of

<sup>13</sup> November 2007 and November 2008.

<sup>14</sup> Play field development, Retaining wall, Security fencing, Gates, Drains and Approach road.

main pitch, laying of Bermuda grass, installation of sprinkling machine and ground levelling equipment at a total cost of ₹ 10.31 crore. Execution of 13 items of work approved at a total cost of ₹ 73.92 crore was taken up in a phased manner during 2010-15 and an expenditure of ₹ 45.43 crore was incurred on the execution of work (as of March 2015). Out of these, DYRS completed nine items of work and two items were ongoing and two items were yet to be taken up for execution. Details are given below:

Table: 1.3.5

					₹ in crore
Sl. No	items of the work	Approved cost	Work order value	Status	Cost on completion/
1	Play field ground	10.31	8.29	Completed	10.31
2	Cricket stadium Additional works	5.68	4.04	On-going	3.58
3	Construction of Cricket Hostel	8.07	6.02	Completed	8.07
4	Construction of Cricket Hostel additional	2.50	1.97	Completed	2.50
5	Construction of VIP gallery block	33.61	22.34	On-going	8.34
6	Flood light	10.33	7.02	Completed	9.33
7	Digital Scoreboard	0	0.92	Not started	0
8	Manual score board	0.12	0.12	Not started	0
9	Installation of Diesel generator set	0.85	0.82	Completed	0.85
10	Construction of generator shed	0.30	0.25	Completed	0.30
11	Development of Practice Pitch Roofing	0.30	0.24	Completed	0.30
12	Development of Toilet block	1.35	1.14	Completed	1.35
13	Maintenance of Cricket stadium	0.50	0.42	Completed	0.50
<b>Total</b>		<b>73.92</b>	<b>53.59</b>		<b>45.43</b>

Source: Departmental data

It was noticed in Audit that:

- DYRS framed DPR for ₹ 10.31 crore for construction of playground (Scheduled items: ₹ 3.95 crore, Non-scheduled items ₹ 3.72 crore, Equipment for field development: ₹ 0.59 crore and Centage charges: ₹ 2.05 crore).
- Among the non-scheduled item of work, the contractor M/s. Chabou & Co. Kohima was required to lay Bermuda grass<sup>15</sup> for 16,600 sq m of the main playing area at the rate of ₹ 550 per sq m for ₹ 0.91 crore and also to maintain the playfield for three years after the completion of laying of grass. The DYRS released ₹ 1.19 crore to the contractor and work was reported as completed (March 2012). However, joint inspection (May 2015) revealed that Bermuda grass was not laid in the playing area. Thus, DYRS fraudulently released ₹ 1.19 crore to the contractor without execution of work. Cricket players in interview (May 2015) stated that in the absence of grass, the existing surface was unsuitable for a professional game of cricket.
- As per records, DYRS had purchased Stiga Lawn mower (₹ one lakh), Lawn care ride on Mower 18.5 HP (₹ five lakh), Ha-Ko 2 ton Pitch roller (₹ 10 lakh), Surge systems ground sprinkler (₹ 35 lakh), Pitch mower (₹ three lakh) and Pitch cover (₹ six lakh) for maintenance of the field out of the approved cost of ₹ 59 lakh from the supplier M/s. East End Enterprises, Kohima. However, during joint

<sup>15</sup> Grass in cynodon family named as 'doob' in Hindi and 'durba' in Bengali.

verification (May 2015) equipment valued at ₹ nine lakh <sup>16</sup> only were available. Procurement of remaining maintenance equipment valued at ₹ 50 lakh was doubtful. The match referees of a cricket match between Arunachal Pradesh and Jharkhand Under-16 tournament shared their displeasure with the audit team during the interview and stated that the play field was not maintained with water sprinklers due to absence of ground sprinkler equipment.

- DYRS constructed a cricket hostel for a total cost of ₹ 10.57 crore to accommodate the cricket players. The work was executed by M/s. Neo Enterprises, Kohima. The payment made to the contractor included ₹ 0.85 crore for execution of item of work viz., 'Glazed walls made with 12 mm thick tough float glass in 862.49 sq m at the rate of ₹ 9800 per sq m in the wings of hostel building'. However, during joint inspection (May 2015) it was noticed that the contractor has executed the glazed wall in 220 sq m only and for this, ₹ 0.22 crore was only due to the contractor. Thus, an excess payment of ₹ 0.63 crore was fraudulently made to the contractor for unexecuted work.
- DYRS purchased gym equipment worth ₹ 0.50 crore out of the funds earmarked for construction of cricket hostel which were reported as issued to a gymnasium unit attached with the cricket hostel for physical fitness of the players. However, the gym equipment valued at ₹ 0.50 crore were not traceable during the joint inspection (May 2015) which was duly authenticated by the Departmental officers. Thus, the entire purchase was doubtful.
- GoN approved (April 2011) ₹ 10.33 crore for installation of floodlight at cricket stadium. Earlier, M/s. Dev-Musco lighting Pvt. Ltd, Delhi, an eminent supplier in the field of installation of floodlights expressed (January 2011) their willingness to complete the project at a cost of ₹ 6.50 crore. However, the work was finally awarded (July 2011) to the same firm M/s. Dev-Musco lighting Pvt. Ltd for ₹ 7.02 crore and the project was commissioned in April 2012. DYRS spent ₹ 9.33 crore (out of the approved funds of ₹ 10.33 crore) to commission the floodlight including the cost of consultancy, work charged establishment etc. DYRS could have avoided incurring of unnecessary expenditure of ₹ 2.31 crore for engaging consultants (M/s. Zynorique Consultant, Kohima, Nagaland), work charges and contingencies.



In Joint inspection (May 2015) of the project it was noticed that the floodlight could not be operated. The cricket association stated (May 2015) that the installation of floodlights was made earlier than required.

- DYRS incurred an expenditure of ₹ 1.35 crore for construction of a toilet block to extend public toilet facilities. Joint inspection (May 2015) revealed that the completed (February 2014) toilet block building of two floors consisted of rooms other than toilets with limited provision of four toilets facilities. It was also noticed during joint inspection that the toilet block was not opened to the public.

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<sup>16</sup> Stiga lawn mower, lawn care Ride on Mower 18.5 HP and pitch cover.

- Even after spending ₹ 45.43 crore for developing a cricket stadium, there was only an earthen gallery available for spectators. Further, there is no room provisioned for the match referee. It was also noticed that the referee was accommodated in a temporary shed which is unacceptable by international standards (*Photographs-1.3.6 & 1.3.7*).

Photographs-1.3.6	Photographs-1.3.7
	
Earthen Gallery	Shed for match referee

### 1.3.10.5 Laying of Synthetic Track at IG Stadium, Kohima



Based on the Department's proposal (July 2011) for construction of eight lane 400 metre IAAF<sup>17</sup> certified synthetic (Porplastic M) running track and pole-vault/triple jump pits at IG stadium, the Ministry sanctioned (August 2011) ₹ 5.00 crore for construction of synthetic track at IG Stadium, Kohima covering (i) sub base preparation excavation, soiling, Water Bound Macadam, Asphaltic layer in 50 mm and (ii) synthetic track surfacing Styrene Butadiene Rubber (SBR) layer 13-16 mm, Ethylene Propylene Diene Monomer (EPDM) rubber layer and line marking. ₹ 5.00 crore was released to GoN in two instalments.

It was noticed that:

- DPR of the project concealed the fact that base work of running track was earlier constructed from the funds received under the PM package. Further, technical specifications and detailed estimate of each item of work were not elaborated to assess the volume and cost of running track base work.
- Department reported the completion (April 2014) of construction of synthetic track by utilising ₹ 4.62 crore.
- As per the DPR, the laying of eight lane 400 metre synthetic (Porplastic M) running track was estimated in an area of 50,895 sq ft. However, joint inspection (May 2015) revealed that the area for sub-base and synthetic track surfacing was only 48,809 sq ft. Thus, the area of laying synthetic track was curtailed by 2,086 sq ft.
- Joint inspection (May 2015) revealed that (i) the project was in the stage of SBR layer only, (ii) thickness of Asphaltic layer executed was 10 mm instead of 50 mm (*Photographs-1.3.8*), (iii) SBR layer was around 10 mm thick instead of

<sup>17</sup> International Association of Athletic Federation

13 to 16 mm thick and was not surfaced by using compacting roller machine resulting in segregated non-sticky SBR layer (**Photograph 1.3.9**) and (iv) laying of Porplastic M at pole vault/triple jump pit (estimated to cost of ₹ 0.24 crore) was yet to commence.

<b>Photographs-1.3.8</b>	<b>Photographs-1.3.9</b>
	
<p>Segregated SBR layer of Synthetic Track at IG Stadium,</p>	<p>Asphaltic layer found in 10 mm against the 50 mm standard in sample check</p>

Thus, it is evident that DYRS released ₹ 4.62 crore to the contractor even though work was incomplete and of substandard quality of synthetic track surfacing. Further, running track base work already completed through the PM package was not accounted for. The SDO during the joint inspection, while admitting poor workmanship by the contractor, stated that the entire work needs overhauling before being used for IAAF competitions. However, facts remains that the Department extended undue benefit to the contractor by recording wrong measurement. Also, the sports association stated (July 2015) that the stadium was not used for sports activities.

### **1.3.10.6 Construction of sports complex at Tamlu**

NEC approved (March 2011) construction of a sports complex covering three major developmental components at Tamlu, Longleng for ₹ 4.74 crore (Football stadium 125 metre x 75 metre: ₹ 3.21 crore, Indoor stadium 30 metre x 20 metre: ₹ 1.24 crore, Sports equipment; ₹ 0.20 crore and Consultancy: ₹ 0.09 crore), to upgrade the local ground to an ultra-modern sports complex to cater to the youth in nine surrounding villages. NEC directed the GoN to follow the execution of works by constituting a committee after inviting tenders from registered contractors or by the Engineering wing of the Sports Department or through the PWD (Housing), GoN. Though the Committee was formed with two officials from the Department<sup>18</sup> and six from the NGOs, the tendering process and selection of contractor, etc., were made by the NGOs<sup>19</sup> without involving Departmental representatives. The work was awarded (June 2011) to Shri.D.Mangne Ailly for ₹ 4.57 crore by the NGO stipulating the completion of project by June 2013. NEC released ₹ 2.25crore<sup>20</sup> and the DYRS

<sup>18</sup> The ADC, Tamlu and officer from State Planning & Coordination.

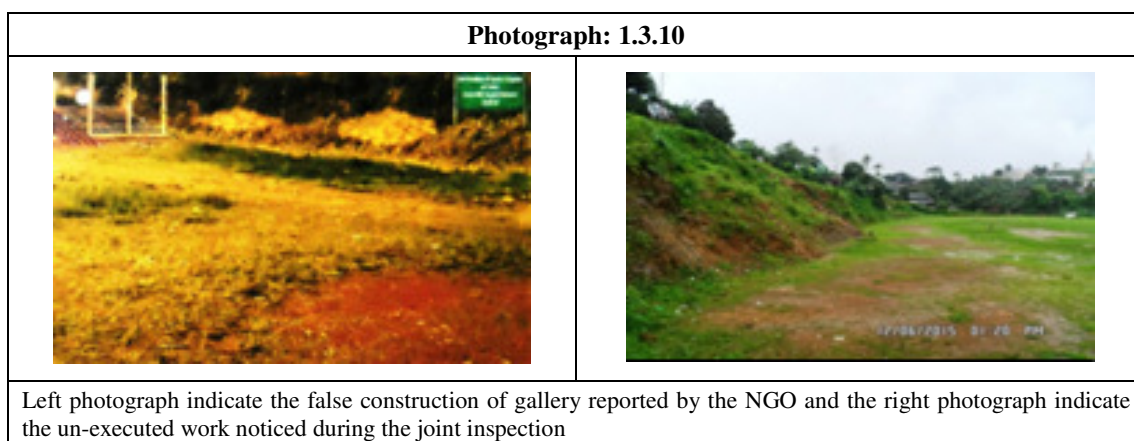
<sup>19</sup> M/s. Tribal Welfare Society, Tamlu.

<sup>20</sup> ₹ 0.35 crore in April 2011 and ₹1.90 crore in September 2011.



released ₹ 2.25 crore<sup>21</sup> to the NGO. Examination of records and joint verification of the project revealed that:

- DYRS released ₹ 2.25 crore to the NGOs without any supporting documents such as running account bills/measurement book.
- Though the physical progress of 48 per cent was reported (March 2012) with supporting photographs and forwarded to NEC, joint inspection (June 2015) revealed that no work was executed (**Photograph-1.3.10**).



The fact that no work was executed was duly authenticated by the Departmental officers during the joint inspection.

- Tamlu Adhoc Town Committee lodged (April 2013) a complaint on the non-execution of work; however, no action was taken by the DYRS in this matter.

Thus, due to non-compliance of NEC instructions and failure of DYRS in monitoring the progress of the work resulted in payment of ₹ 2.25 crore to the NGO for unexecuted work. Further, fictitious reports about progress of the project was generated.

### **1.3.10.7 Works not executed**

During 2010-15, 18 infrastructure development works were completed at a total cost of ₹ 115.85 crore in four test checked districts under funds provided by the Department. Joint inspection (May-June 2015) revealed that six projects (estimated at ₹ 3.77 crore) out of the 18 projects were either executed from different source of funding or not at all executed.

- Two projects namely, (i) Development of playground at Samzuiram, Peren (₹ 0.38 crore) and (ii) Laying of synthetic surface and security wall fencing at Chavino, Dimapur (₹ 0.30 crore) reported as completed by the DYRS, however, these projects were actually executed through funds provided under Mahatma Gandhi National Rural Employment Guarantee Scheme and Local Area Development Programme respectively.

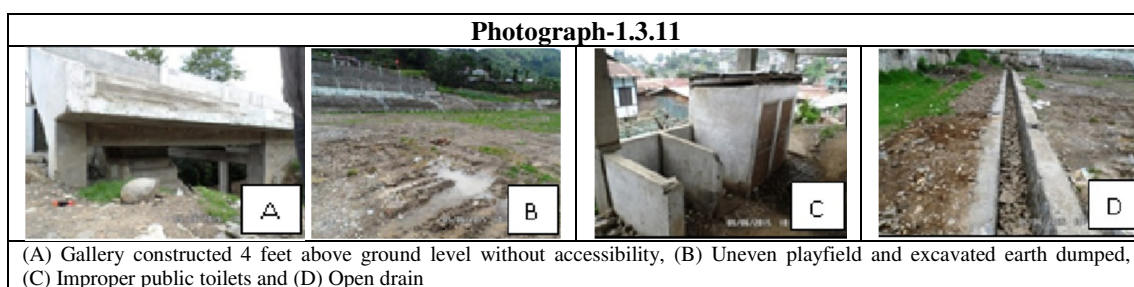
<sup>21</sup> July 2011 (₹ 0.35 crore) and October 2011 (₹ 1.90 crore)

- Remaining four projects viz., Development of playground in New Peren (₹ 2.00 crore), Cricket pitch, Kohima (₹ 0.61 crore), Playground at Changlangshu, Mon (₹ 0.33 crore) and Development of Community ground at Jalukie (₹ 0.15 crore) reported as executed by the DYRS, however, were not found executed during the joint physical inspection.

Thus, the Department misappropriated ₹ 3.77 crore by reporting six project as complete which were actually executed under different programme.

### 1.3.10.7 Up-gradation of Playfield at Pfutsero

GoN approved ₹ 4.99 crore for up-gradation of playfield, construction of rostrum, drainage and galleries at Pfutsero. DYRS completed the construction at ₹ 4.99 crore. Joint inspection (June 2015) revealed that only 70 per cent of the work was completed and the workmanship was poor due to which the playfield could not be opened to the public. It was also observed that the galleries were constructed 4 ft above the ground level without accessibility. Further, drainage in the playfield was open instead of closed drainage, proper public toilets were not constructed, playfield was uneven and earth excavated was dumped in the playfield itself (**Photograph-1.3.11**).



However, DYRS had paid entire amount to the contractor despite deficiencies in the work and while only 70 per cent of the work was complete. Sub Divisional Officer (SDO) during the joint inspection assured that the deficiencies will be rectified through the contractor.

### 1.3.10.9 Unutilised sports development infrastructure

GoN approved (i) construction of an Administration Building at IG Stadium Kohima, (ii) low cost indoor stadium at Pfütsero and (iii) 80 bedded girls hostel at Mon at a total cost of ₹ 2.12 crore. DYRS constructed these infrastructure by incurring an expenditure of ₹ 2.12 crore as per details in the following table.

**Table: 1.3.6**

₹ in crore						
Name of the project	Objective	Funded through	Approved cost	Cost on completion	Completed in	Status
Construction of Administrator Building, IG Stadium, Kohima	To run the office for Administrator, IG Stadium	SPA	0.67	0.67	January 2014	Not occupied
Low cost indoor stadium, Pfütsero	For badminton and Table Tennis	SPA	1.00	1.00	July 2014	Not used
80 bedded Girls hostel at Mon	To accommodate girls sports women	SPA	0.45	0.45	March 2009	Not occupied
<b>Total</b>			<b>2.12</b>	<b>2.12</b>		

Source: Departmental data

However, joint inspection (May-June 2015) revealed that the constructed buildings were not at all put to use. 80 bedded girls hostel was not even provided with water and electricity and remained unoccupied (*Photograph-1.3.12*).



### 1.3.10.10 Infrastructure facilities for the sports students



The Department constructed boys and girls hostels at IG stadium, Kohima at a total cost of ₹ 12 crore<sup>22</sup> to accommodate sports persons. Joint inspection of the boys' hostel at Kohima revealed that the hostel was used as residential quarters by three coaches (*Photograph:1.3.13*). The boys were accommodated on the ground floor of the girls hostel thereby depriving the girl students of hostel accommodation to that extent and also privacy. During joint physical verification it was also noticed that the girls' hostel inaugurated in June 2012 had damaged ceiling and leakage of water (*Photograph:1.3.14*).

Photograph:1.3.13	Photograph:1.3.14
<p><i>Boys hostel block occupied by coaches</i></p>	<p><i>Water seepage in newly built girls hostel</i></p>

The hostel for boys and girls at Sports Academy, Dimapur constructed in 1975 was not maintained properly since its construction. The hostels were in a deplorable state with major roof seepage problems. The DYRS ignored the grievances of the students accommodated in the academy, an issue which was voiced by 59 sportsperson and two coaches. *Photographs: 1.3.15 & 1.3.16* depicts the deplorable state of hostels.

<sup>22</sup> Boys Hostel -₹ 1.73 crore and Girls hostel-₹ 10.27 crore.



Photographs: 1.3.15	Photographs: 1.3.16
	
<b><i>Deplorable state of Boys and Girls Hostel at Sports Academy, Dimapur</i></b>	

In a meeting with the Audit team, it was opined that the Government should change its focus from new constructions to promotion of sports activities in the State. They also added that newly constructed infrastructure could not be utilised by due to selection of locations which were not easily accessible.

The Department accepted (September 2015) the audit findings and stated that corrective measures are being taken up.

#### **1.3.10.11 Procurement of sports equipment**

Nagaland Sports Policy 2006 envisages procurement of branded sports equipment directly from manufacturers or authorised dealers in the State in consultation with the SSC/ NOA. Annual assessment of sports equipment should be made after carrying out a requirement analysis to encourage the sports disciplines in the State.

Examination of records revealed that:

- (1) The DYRS did not procure sports equipment directly from the manufacturer. Instead purchase was made from the local suppliers<sup>23</sup> at Dimapur and Kohima without consulting SSC/NAO.
- (2) Annual assessment for sports equipment was not done. Instead, the procurement was managed according to the availability of funds.
- (3) The quality aspect of sports equipment was not recorded while taking the equipment into stock. Hence, the quality assessment of the sports equipment was absent. The sports association reported that procurement was made without consulting them.
- (4) Four retail local sports goods suppliers in the State were selected for supply of sports equipment as per the rates approved by the purchase committee constituted by the DYRS. However, it was noticed that the purchases were not made at the approved rates by the Department. Thus, DYRS incurred an excess expenditure of ₹ 0.22 crore in respect of seven sports equipment as detailed in *(Appendix-1.3.2)*.

<sup>23</sup> M/s. Kiran Sports, Dimapur, M/s. Star Sports, Kohima, M/s. Sports World, Kohima.

- (5) The DYRS purchased (February 2012) 23 categories of archery equipment from Nagaland Archery Making Unit, Kohima at a total cost of ₹ 1.00 crore to train 34 sports students enrolled with the Academy at Kohima. The procurement was made from the lone registered archery making unit in the State without observing any procurement procedures. It was noticed in audit that the stock register of the DYRS accounted for archery equipment worth ₹ 0.32 crore only for training the archers. Thus, there was a short accounting of archery equipment worth ₹ 0.68 crore (*Appendix-1.3.3*).
- (6) A Verification Committee performed verification of only the quantity of the sports equipment received and not the quality. DYRS purchased 1486 footballs<sup>24</sup> for ₹ 0.24 crore and 1197 volleyballs<sup>25</sup> for ₹ 0.17 crore. Joint inspection (July 2015) of sports equipment with DSO, Kohima revealed that these were of inferior quality. The fact was duly authenticated by the DSO.

During the interaction with the students, 30 football students stated that due to non-supply of quality football, old footballs were used during practices which were of very poor quality. Also, 19 athletes, three taekwondo players and five boxers stated that no equipment was received for practicing. Ten archers stated that they received did not receive any equipment for practice after 2011-12. It was also added that one of the best archers from the academy who was in the first position was lowered to fifth position at National event due to the use of defective arrows supplied by the DYRS.

The deficiencies were accepted by the respective coaches during the meeting (June 2015) conducted with the Audit team.

The Department stated (September 2015) that the Nagaland Sports Policy 2006 needs to be revised in regard to purchase of sports equipment. Inadequate fund was the reason for the non-assessment of sport goods. Also, the other irregularities will be examined and remarks communicated in due course. However, no further communication was received from DYRS (December 2015)

#### **1.3.10.12 Capacity development programmes**

Policies framed for sports and youth affairs covered (i) capacity development programmes to upgrade the skills of the coaches and sports candidates, (ii) reservation against sports quota for all types of appointments in the DYRS on contractual basis, (iii) facilities to the sports students, (iv) procurement of branded sports equipment to encourage the sports disciplines in the State, (v) awards and stipends to coaches and sports students, (vi) creation of adequate sports and youth infrastructure throughout the State and (vii) utilisation of grants in aid for sports associations; to promote and provide opportunities to sportspersons so that the State can produce sportsperson of national and international quality.

<sup>24</sup> Rate ranging from ₹ 1600 to ₹ 1878 per unit.

<sup>25</sup> Rate ranging from ₹ 1280 to ₹ 1600 per unit.

**(i) Training to coaches**

Sports Authority of India (SAI) provides refresher training to the coaches for which financial assistance of ₹ 50,000 per person would be borne by GoI. As per the intake capacity with SAI, a total of 20 coaches from various disciplines could be nominated for this training programme every year at the SAI centres located at Patiala, Bangalore, Kolkata and Thiruvananthapuram.

Examination of records revealed that DYRS has 34 coaches<sup>26</sup> in 11 disciplines in the State. Of which only six coaches (18 *per cent*) were nominated for undergoing training during 2010-14 in three disciplines. Thus, 28 remaining coaches did not get an opportunity to upgrade their training skills by undergoing refresher training at SAI.

It was also observed that against the 10 prioritised sports disciplines<sup>27</sup> in the State, no coaches were appointed in two disciplines (Table Tennis and Cricket). In seven disciplines, 22 coaches were engaged for training the sports students in two academies. Thus, the remaining 12 coaches in four disciplines<sup>28</sup> were appointed for coaching in non-prioritised games. Besides, no student was enrolled in these disciplines. Interestingly, there is no hockey field in the State though four hockey coaches are appointed. Further, another important aspect to note is that most of these coaches were appointed after the State Sports Policy was framed, which is indicative of the fact that while appointing the coaches the priorities in sports disciplines spelt out in the State Sports Policy though identified was not considered.

Thus, due to poor management control within the DYRS, the services of the coaches appointed by the DYRS were neither utilised properly nor their skills upgraded through trainings in reputed institutions.

The Department accepted (September 2015) the audit finding and assured that the process for imparting training of coaches through refresher courses would be taken up.

**(ii) Selection and training at academies**

Selections of the candidates to the academies were made as per the recommendation of the committee headed by the Deputy Director, Sports subject to the condition that the candidates should be below 14 years of age.

The State has two sports academies at Dimapur and Kohima with a total intake capacity of 279 sportspersons. The position of sportsperson enrolled (for 2014-15 session) with these two academies in seven sports disciplines are tabulated below:

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<sup>26</sup> Football (6), Athletic (4), Archery (2), Sepaktakraw (1), Badminton (2), Wrestling (3), Boxing (4), Hand ball (1), Hockey (4), Volleyball (4) and Basketball (3)

<sup>27</sup> Football, Table tennis, Badminton, Athletics, Archery, Wrestling, Boxing, Sepaktakraw, Taekwondo and Cricket.

<sup>28</sup> Handball (1), Hockey (4), Volleyball (4) and Basketball (3)

Table: 1.3.7

Name of the discipline	Intake capacity			Actual intake			Shortfall in intake	Number of sportsperson	
	IG, Stadium Kohima	Dimapur	Total	IG, Stadium Kohima	Dimapur	Total		Male	Female
Archery	34	-	34	34	-	34	0	18	16
Wrestling	30	-	30	30	-	30	0	15	15
Football	32	100	132	32	32	64	68	32	32
Boxing	20	-	20	20	-	20	0	10	10
Taekwondo	30	-	30	30	-	30	0	30	0
Athletics	-	18	18	-	18	18	0	0	18
Sepaktakraw	-	15	15	-	15	15	0	0	15
<b>Total</b>	<b>146</b>	<b>133</b>	<b>279</b>	<b>146</b>	<b>65</b>	<b>211</b>	<b>68</b>	<b>105</b>	<b>106</b>

Source: Departmental data

It could be seen from the table above that the Department enrolled only 32 sportsperson in football discipline in State Sports Academy at Dimapur against the available intake capacity of 100. It was also observed that five over-aged sportspersons<sup>29</sup> were selected and admitted into the Academy at Dimapur in Archery and Athletics for 2014-15 sessions. This was confirmed by the sports association in the interview (July 2015).

However, it is worth pointing out that female sportsperson were given equal opportunity except in taekwondo and in two disciplines of athletics and sepaktakraw all enrolled sportsperson were female.

We also observed that during 2010-15, the sportspersons from Nagaland achieved 636 medals (Gold 164, Silver 221 and Bronze 251) during participation in National sports events. The candidates from the academy achieved 12 gold medals in four disciplines<sup>30</sup> whereas the remaining 152 gold medals in 10 disciplines were for sportspersons who were not from the two academies. This indicates that genuine talents missed selection during conduct of road shows or talent searches or “catch them young” programmes at district/sub-division levels. It was also seen that DYRS recommended only 14 persons (2 per cent) in seven disciplines out of 636 medal winners for diploma course from SAI and only one candidate after completion of diploma was appointed as a football coach with the DYRS.

Sub-junior (below 14 years of age) football team of the State won the Subroto Cup (*Photograph:1.3.17*) in two alternative years 2012 and 2014 indicating great potential in the game of football.

An interview (May-June 2015) of 88 sports students in two academies at Kohima (29 students) and Dimapur (59 students) was conducted. During the interaction,



<sup>29</sup> Under 16 categories in Archery (Shri. Neisalhoun Pienyu and Smti. Thenukienou) under 14 category in Athletics (Shri. Krieno Tero, Shri. Visakou Thenou and Shri. Danyele Kesen)

<sup>30</sup> Sepaktakraw (2), Archery (2) Athletics (1) and Football (7)

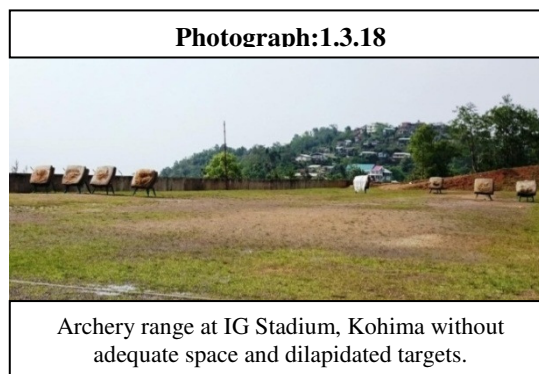
the following facts were reported by the students:

**Table: 1.3.8**

Sl. No	No. and category of sports students	Views of sports students.
<b>Sportspersons at IG Stadium, Kohima (29 sportspersons)</b>		
1	9 Football	Football team (Female) from Nagaland reached the semi-final tournament held at Patiala 2013 but lost due to poor training imparted to them.  Lack of skill up-gradation of football coaches which subsequently may have affected in imparting training to the sportspersons in technical aspects.
2	5 Boxing	Irregular attendance of the boxing coaches and also lack of space for boxing practice at IG Stadium, Kohima.  <i>The fact was also reported by the boxing association regarding the non-availability of boxing stadium and the sport equipment required for practice.</i>
3	3 Taekwondo	Sportspersons in taekwondo stated that one of the taekwondo talent was nominated to represent at the National event during 2010-11, however could not take part in the event due to denial of financial assistance by the GoN As a result, the sportsperson left the academy.
4	10 Archery	Two archers could not participate at National events due to denial of financial support by the GoN. The archery talents also added constraint of space for training which could accommodate only 20 persons though 34 archery sportspersons were enrolled with the academy. <b>(Photograph 1.3.18)</b>
5	2 Wrestling	In adequate girls hostel facility
<b>Sports Academy, Dimapur (59 sportspersons)</b>		
6	25 football	Football students (Male) attached with the Academy at Dimapur stated that though there were occasions for participation of tournaments at international level, they were not sent for that.  Participation was held back due to lack of financial assistance from the GoN.
7	15 Sepaktakraw	Due to lack of indoor space facilities, the talents were forced to practice in outdoor space in general ground without any basic facilities.
8	19 Athletics	High jump winner in North Eastern event stated that in the absence of landing pit for high jump, the practice is being carried out in mud in the local ground.

*Source: Results of interview with the sportspersons*

The deficiencies were endorsed (June 2015) by the respective coaches during the meeting with the Audit team. The representative of the badminton association July 2015 stated that there was enrolment of badminton players with academies outside the State due to the absence of facilities in the academies within the State.



The Department accepted (September 2015) and agreed that corrective measures would be taken.

### **(iii) Training to the Youths**

During 2013-14, GoN released (February 2014) ₹ 6.00 crore to the DYRS for capacity building for youth empowerment which included (i) clearance of backlog of Young Naga Achievers Award 2012, (ii) skill development through Youth Net, (iii) training of North East India International Model United Nations,



- (iv) skill grooming project to commemorate 50 years of statehood and  
(v) self-employment and career progression training to 186 beneficiaries @ ₹ 2.00 lakh per beneficiary.

Examination of records revealed that the DYRS spent ₹ 0.36 crore for clearing backlog of Young Naga Achievers Award 2012; ₹ 3.82 crore<sup>31</sup> to 79 applicants for creation of assets with little emphasis on career progression training; ₹ 1.55 crore to Youth Net for skill development of youth and ₹ 0.27 crore on skill grooming project. Thus, the DYRS diverted ₹ 3.82 crore for purposes other than providing career progression training. It was also observed that, out of ₹ 1.55 crore paid to Youth Net<sup>32</sup> for skill development of 225 entrepreneurs, the organisation utilised ₹ 0.60 crore for asset creation/up-gradation of eight farms of entrepreneurs. Only the remaining amount of the allocated funds were utilised for the specific purpose.

During commemoration of 50 years of Statehood, the DYRS launched a skill grooming project in collaboration with reputed off-shore multinational industries aimed at building the potential toward a long career in reputed organisations. By utilising the funds earmarked (₹ 0.27 crore), 56 candidates were to be trained in two batches (each batch consisting of 28 candidates - 8 females and 20 males). However, only 17 candidates (30 per cent) were trained against the targeted 56 candidates even though entire fund was utilised.

The Department stated (September 2015) that creation of assets are also a part of career development. However, Youth Net was intended for career development and not for asset creation in any case.

### 1.3.10.13 Appointment of talented youths and sports persons in the DYRS

As per the Nagaland Sports Policy 2006, all appointments in the DYRS should be done on a contractual basis and with prior approval of P&AR Department to attract and recognise the best sportsman who participated at the State, National and International events.

The Directorate of YRS had a total strength of 141 staff. During 2010-15, the DYRS appointed 88 staff. Of this 77 were appointed on regular basis, 43 in Grade-III (male-28, female-15) and 34 in Grade-IV (male-31, female-3). Remaining 11 were (male-8, female-3) on Contractual basis. The staffs were posted in the Directorate and various field offices.

<sup>31</sup> Photo studio (four categories: ₹ 0.36 crore), Canteen (one category: ₹ 0.05 crore), Computer shop (one category: ₹ 0.16 crore), Grocery shop (six categories: ₹ 0.11 crore), Bakery (one category: ₹ 0.15 crore), Fabrication center (one category: ₹ 0.10 crore), Stationery Shop (one category: ₹ 0.13 crore), Furniture unit (one category: ₹ 0.10 crore), Farm unit (four categories: ₹ 0.28 crore), Purchase of truck (one category: ₹ 0.08 crore), Hotel (three categories: ₹ 0.11 crore), Pharmacy (one category: ₹ 0.05 crore), Coaching for appearing Civil Services exam (two categories: ₹ 0.02 crore), Fashion designing (two categories: ₹ 0.14 crore), Vehicle servicing center (two categories: ₹ 0.09 crore), Laundry and dry cleaner (one category: ₹ 0.35 crore), Self-employment (one category: ₹ 0.10 crore), Music Task Force (one category: ₹ 0.15 crore), Naga chef (one category: ₹ 0.50 crore), NSF and Naga Orpheus (two categories: ₹ 0.15 crore), Diploma course for Indian aviation (one category: ₹ 0.20 crore), and others (41 categories: ₹ 0.44 crore) = ₹ 3.82 crore.

<sup>32</sup> Youth Net in Nagaland is a partnership with the Department to impart professional skills and training in agro, fine arts, handloom, handicrafts, livestock rearing, business and entrepreneur development.

Out of 88 staffs appointed, 22 were in the cadre of coaches, of which 11 were on regular basis (male-9, female-2) and remaining 11 were on contract basis (male-8, female-3). Five were appointed in Grade-III ministerial staff (male-4, female-1) through Nagaland Public Service Commission (NPSC). DYRS appointed 61 staff<sup>33</sup> on ad-hoc basis without any reservation for sports quota, thereby depriving employment opportunity to the national and international sportsperson from the State.

The coaches, during the meeting (June 2015) with the Audit team stated that lack of job reservation quota for sportspersons deprived the promising players of employment with the State Government. Also, the sports association stated (July 2015) that the sports policy was inadequately framed, resulting in lack of job security due to the contractual appointments.

Accepting the fact, in its reply the Department stated (September 2015) that the Nagaland Sports Policy 2006 is under the process of revision.

#### **1.3.10.14 Music Task Force**

The Special Task Force for Music was constituted (August 2004) as an advisory think-tank to the Government during the year of Youth Empowerment 2004-05. Music Task Force (MTF) was focused to support, create, nurture and develop latent talent in music. GoN adopted a policy to develop 'Music as an Industry'.

##### **1.3.10.14.1 Construction of Music Academy at Jotsoma, Kohima**

The construction of a Music Academy aimed to provide infrastructure for recording and production studio, in-house auditorium, demonstration and training labs, archive session and library to encourage promising amateurs.

GoN approved (in 2005) construction of Music academy at New Secretariat, Kohima for ₹ 5.00 crore. The work was awarded (August 2006) to M/s N.N. Constructions for ₹ 4.27 crore in 1193 sq m built-up area. However, work was delayed due to shifting of location from the New Secretariat to Jotsoma. Subsequently, the project cost was revised (February 2010) to ₹ 17.80 crore to cover built-up area in 3630.24 sq m as per the directives (June 2009) of a High Power Committee (HPC). While revising the project, extra items of work<sup>34</sup> were approved besides the items in the previous DPR. The work order for ₹ 10.52 crore for the additional items of work was awarded (October 2010) to the same contractor. GoN released ₹ 17.80 crore to DYRS against which ₹ 14.29 crore<sup>35</sup> was incurred. GoN further, approved and released (July 2014) ₹ 5.00 crore for construction of approach road, landscaping, retention wall, furniture and furnishing, etc. The Executive Engineer EE, YRS spent ₹ 3.06 crore for civil works and ₹ 0.50 crore for purchase of furniture and furnishing materials. The academy was operational from December 2013.

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<sup>33</sup> 27 Grade-III (Male: 15, Female: 12) and 34 Grade-IV staffs (Male:31, Female: 3).

<sup>34</sup> Conference hall, cafeteria, administrative block, lecture hall, extension of balcony to enhance the seating capacity to 506 from 422, ring road with parking lot and additional toilets.

<sup>35</sup> Civil work (₹10.59 crore), equipment (₹ 3.70 crore), consultant and centage charges (₹ 3.51 crore).

Examination of records revealed that:

- The Department constructed the academy (**Photograph:1.3.19**) in the built-up area of 3330.40 sq m by utilising the total approved cost of ₹ 17.80 crore instead of 3630.24 sq m as per revised sanction. This resulted in excess payment of ₹ 0.87 crore<sup>36</sup> to the contractor by compromising on the built-up area by 299.84 sq m.
- DYRS did not construct the recording and production studio and hall for recording, demonstration and training. The space of the auditorium with seating capacity of 506 was also compromised to 481.
- Equipment worth ₹ 0.53 crore reported as installed/commissioned were either found un-executed or damaged or unserviceable as detailed in the **Appendix-1.3.4**. Out of these, Lumens projector was defunct since October 2014 and the fire detector arrangement was not commissioned even after completion of the academy (December 2013).
- Out of the additional provision of ₹ 5.00 crore, the EE (Housing), YRS spent ₹ 0.50 crore for purchase of furniture and furnishings without observing tendering process. Further, the procurement of furniture and furnishings were neither supported by relevant vouchers nor with any records and the amount was drawn from the bank account by the EE (Housing), YRS through self cheque<sup>37</sup>.



#### 1.3.10.14.2 Music promotion activities

Project Director, MTF framed (November 2012) guidelines regarding the funds for music promotion activities to encourage promising amateurs through (i) skill development through in-house seminars and workshops, (ii) entrepreneurial capacity building through hardware supports, (iii) organising partnered events/collaboration through creative Public-Private- Partnerships and (iv) hoisting of musical flagship programmes and infrastructure generation at the Centre for excellence, Jotsoma.

GoN released ₹ 11.84 crore<sup>38</sup> during 2010-14 to support skill development, capacity building and infrastructure development, collaboration with public-private partnership PPP, organisation of flagship music programmes and procurement of vehicles. We observed that:

- MTF did not frame any criteria for selection of beneficiaries to whom the assistance was to be extended under skill development, infrastructure support, etc. Also, there were no guidelines regarding the quantum of financial assistance to be extended for pursuing music as a profession. In the absence of such criteria for the

<sup>36</sup> (₹ 14.29 crore - ₹ 3.70 cost of equipment and accessories) x 299.84 sq m/3630.24 sq m = ₹ 0.87 crore

<sup>37</sup> No. 679578 dt.26.8.2014

<sup>38</sup> 2010-11 (₹ 3.04 crore), 2011-12 (₹ 3.00 crore), 2012-13 (₹ 3.80 crore) and 2013-14 (₹ 2.00 crore) = ₹ 11.84 crore



selection and assistance to be extended, the selection of beneficiaries was done on ad-hoc manner and mostly based on the recommendations made by the Advisor<sup>39</sup> and VIPs, as informed by Project Director, MTF. Moreover, DYRS did not monitor and evaluate the achievements made through music promotions in the State.

- During 2010-14, MTF extended ₹ 0.57 crore assistance under skill development programme to promote 57 beneficiaries at the rate of ₹ 1.00 lakh per beneficiary. It also extended assistance of ₹ 4.14 crore under infrastructure support to 324 music entrepreneurs for procurement of branded musical instruments. DYRS did not obtain recommendations from the specialists in the field of music and instead the assistance was released to the beneficiaries on the basis of recommendations of the Advisor and VIPs as stated by Project Director, MTF. As a result, audit could not confirm whether candidates to whom the assistance was extended were the deserving candidates.
- MTF spent ₹ 2.74 crore for partnered and collaborative events to support 131 music entrepreneurs during 2010-14. Musicians and beneficiaries who were assisted did not participate in any of the partnered and collaborative events. Thus, the objective to sponsoring the institutions promoting music through partnered and collaborative events could not be achieved.

In the absence of any criteria for selection of beneficiaries and financial assistance to be extended, the efficacy of the expenditure (₹ 7.18 crore) incurred on music promotion activities in the State could not be assessed.

Three YROs stated (June 2015) that MTF did not carry out music promotion activities in three districts<sup>40</sup> during the last five years.

#### **1.3.10.15 Awards and stipends**

Nagaland Sports Policy 2006 envisages introduction of awards and incentives to encourage the sportspersons who bring laurels to the State. Quantum of incentives to players and coaches according to the category of medals achieved were also stipulated in the sports policy. DYRS received ₹ 1.25 crore<sup>41</sup> during 2010-13 for providing awards to eminent sportspersons in the State.

Examination of the payment register revealed that:

- Award to the medal winners pertaining to 2010-11 were disbursed according to the list approved by the Department.
- During 2011-12, the DYRS selected 482 eminent sportsperson (289 males and 193 females) for recognition with awards and incentives. Of these, incentives to 346 sportspersons were disbursed according to the provisions of the sports policy. However, in 102 cases (**Appendix-1.3.5**) the sportspersons were either paid less or

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<sup>39</sup> Parliamentary Secretary, Youth Affairs/Member of Legislative Assembly.

<sup>40</sup> Kohima, Peren and Mon.

<sup>41</sup> 2010-11 (₹ 0.25 crore), 2011-12 (₹ 0.30 crore), 2012-13 (₹ 0.70 crore) = ₹ 1.25 crore

not at all paid or in excess and in 34 cases it was paid to individuals who were not entitled as elaborated in the table below:

Table: 1.3.9

Number of sportspersons who were selected for awards and		Incentive admissible	Incentive paid	₹ in crore	
				Short	Excess/inadmissible
Paid less	34	0.08	0.03	0.05	-
Paid in excess	19	0.02	0.04	-	0.02
Not at all paid	49	0.06	0	0.06	-
<b>Total</b>	<b>102</b>	<b>0.16</b>	<b>0.07</b>	<b>0.11</b>	<b>0.02</b>
Paid to individuals not entitled	34	-	0.09	-	0.09
<b>Grand Total</b>	<b>136</b>	<b>0.16</b>	<b>0.16</b>	<b>0.11</b>	<b>0.11</b>

Source: Departmental data

- The GoN approved ₹ 70 lakh for awards and incentives to the meritorious sportspersons during 2012-13. DYRS approved a list of 110 sportspersons for cash awards of ₹ 18 lakh. DYRS reported the expenditure of ₹ 70 lakh. However, there was no records available to substantiate the payment of awards and incentives of ₹ 18 lakh to 110 sportspersons and utilisation of remaining ₹ 52 lakh.

During interview of sportspersons in two academies, 59 sports students opined that sportsmen were not recognised with adequate awards/incentives though they won medals at national events.

The sports students at two academies were supported with stipends throughout the year to compensate their daily allowances. GoN revised the rate of stipend from ₹ 100 per day to ₹ 150 per day with effect from 1.8.2012. The DYRS received ₹ 4.57 crore towards stipends during 2010-15 and reported an expenditure of ₹ 4.57 crore.

88 sports students during the interview stated that free boarding was given to them instead of stipends. They added that on an average they spent 30 to 40 days in a year during summer and winter vacations away from academies and during that period no allowances were paid to them. However, DYRS showed that it had incurred the expenditure on stipend throughout the year including holidays. Thus, the DYRS drew and reported an expenditure of ₹ 36.56 lakh towards stipend which was not actually distributed to the hostellers as worked out in the following table.

Table: 1.3.10

Year	No. of hostellers at			Minimum number of days spent on vocation	Rate of Stipend (per day)	Excess expenditure reported (in ₹)
	IG Stadium, Kohima	Sports Academy Dimapur	Total			
2010-11	61	72	133	30	100	3,99,000
2011-12	63	88	151	30	100	4,53,000
2012-13	65	108	173	30	150	7,78,500
2013-14	65	174	239	30	150	10,75,500
2014-15	65	146	211	30	150	9,49,500
<b>Total</b>						36,55,500 Say ₹ 36.56 lakh

### **1.3.10.16 Grants-in-aids to Games and Sports**

Sports Associations in the State should be affiliated with SSC or NOA to avail Grants-in-Aid (GIA) from GoN for the purpose for promotion of sports. During 2010-15, GoN released ₹ 6.30 crore<sup>42</sup> to the DYRS for disbursement as GIA to the affiliated sports associations. However, DYRS did not frame guidelines specifying the areas to provide GIA to the Sports Associations to promote sports events at district levels organised by the Sports Associations.

Out of the GIA of ₹ 6.30 crore, the DYRS released ₹ 3.76 crore only to 22 affiliated Sports Associations during 2010-14 as per recommendations of NOA. The DYRS released ₹ 1.36 crore to different organisations/individuals and ₹ 1.00 crore was spent for renovation of playground at 11 locations outside the recommendations of the NOA (*Appendix-1.3.6*).

The technical estimates duly approved by the Chief Engineer PWD (Housing) to support the renovation of playground were not on record. The balance of ₹ 0.18 crore was lying in the bank account of the Department.

The sports association stated (July 2015) that due to poor financial assistance extended by the Department they could not participate in national events.

### **1.3.11 Monitoring and reporting.**

#### **1.3.11.1 Monthly meetings with Education/ Higher Education wing**

As per Chapter 6 of the Nagaland Youth Policy 2006, monthly meetings should be conducted by the DYRS with the Education/Higher Education Departments for creation of sports and recreational facilities and full utilisation of the services of Physical Education Teachers/Instructors/Coaches/DSOs/YROs to encourage the potential students.

It was noticed in audit that no meetings were conducted with the Education wing as envisioned. Due to laxity of the education wing neither the students nor the parents came forward to encourage sports through the school curriculum. To encourage the meritorious sports students, coordination between DYRS and Education/Higher Education departments should be overhauled by crafting provisions for incentives like awarding marks for sports in the school curriculum.

#### **1.3.11.2 Maintenance of assets**

The sports infrastructure created needs to be handed over to the user group for its utilisation and is also required to be maintained. The EE, YRS handed over 21 completed projects (54 per cent) to the Director, YRS out of 39 infrastructures created during 2010-15 for further handing over to the user groups. It was observed that only cricket play field at Sovima was maintained by the Department during the last five

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<sup>42</sup> ₹ 1.00 crore (Bill No. 210 dt. 01-11-2010), ₹ 1.00 crore (Bill No. 255 dt. 13-12-2011), ₹ 1.00 crore (Bill No. 241 dt. 13-12-2012), ₹ 2.00 crore (Bill No. 316 dt. 19-03-2013), ₹ 1.00 crore (Bill No. 318 dt. 25-03-2014) and ₹ 0.30 crore (Bill No. 328 dt. 26-03-2014) = ₹ 6.30 crore.

years. Further, no records were available to indicate that DYRS had made efforts to get funds for maintenance of assets from the State Government. The DYRS stated (July 2015) that non-maintenance of assets was due to non-availability of funds from GoN. The sports association stated (July 2015) that no assets were handed over to them and as a result, the scheduled sports events in their calendar of programmes could not be organised in the State.

### **1.3.11.3 Monitoring and evaluation mechanism**

State Government should carry out periodical inspection at various levels for an effective system of reporting and monitoring of the project. The results of the inspection reports of the projects should be discussed in the quarterly review meetings. DYRS did not frame any guidelines for monitoring and evaluation of developmental activities in the State to improve sports and infrastructure created to support the sports and youth affairs during the period under review. Further, in the absence of a project monitoring mechanism through periodical inspections at various levels by the Engineering wing of YRS, there were instances of unexecuted work, delay in completion of projects and poor workmanship.

### **1.3.12 Conclusion**

Planning process adopted by DYRS was inadequate for long term sports development in the State. DPRs and technical estimates were based on inadequate surveys. Deviation from approved DPRs and non-execution of works were noticed during joint physical inspections. Financial management was poor and there were instances of financial commitments not being honoured and delay in release of funds affecting the development activities. Sports infrastructure created were either non-functional or not used for intended purposes. There were instances of payment made for unexecuted works by recording false measurements. Coaches and sportspersons were not motivated due to inadequate practicing facilities and equipment, lack of job reservation policies for the sportspersons, inadequate provision of rewards and incentives. There was no quality assurance mechanism in purchase of sports goods/equipments and construction works. Mandatory inspections of developmental activities and projects by State/District level officers were not carried out. Absence of monitoring mechanism in the State also adversely affected the implementation of developmental programmes.

### **1.3.13 Recommendation**

- *DYRS should prioritise plan for upgradation/creation of the sports infrastructure in the State taking in to account the views of the Sports Councils/Associations.*
- *The Department should plan sports development programmes by considering the participatory approaches from eminent sportspersons and coaches. Search programme for scouting for talents should be conducted at sub-division level for tapping into sports talents at the grass root level.*
- *GoN should honour the financial commitments and also avoid delays in release of funds.*

- *Disciplinary action should be initiated against erring officials involved in excess payment to contractors.*
- *The Department should ensure that the projects taken up are completed in time and as per specification. Also put in place effective mechanism for maintenance of the assets created.*
- *A system should be put in place to regulate the activities in capacity development programmes, payments for awards and stipends and other incentive schemes.*
- *Monitoring mechanism should be strengthened to improve the sports activities and infrastructures.*

## **SCHOOL EDUCATION DEPARTMENT**

### **1.4 Implementation of National Programme of Nutritional Support to Primary Education 'Mid-Day Meal Scheme'**

The 'National Programme of Nutritional Support to Primary Education', a Centrally Sponsored Scheme, commonly known as 'Mid-Day Meal' MDM Scheme, was launched in August 1995 with the primary objective of boosting the universalisation of primary education by increasing enrolment, retention & attendance and simultaneously improving nutritional status of school children. There were inadequacies in all these three key aspects namely, effective implementation of scheme, efficient financial management and effective monitoring as brought out in this Report.

#### **Highlights**

*The State Government during 2010-15 inflated the number of children enrolled by a total of 3,50,858 over the figures of Sarva Siksha Abhiyan to avail more funds under MDM scheme. In selected four districts, the inflated figure was 2,02,515.*

#### **Paragraph 1.4.8.1**

*Non-lifting of food grains from nearest FCI, FSD resulted in excess expenditure of ₹1.21 crore on transportation cost during 2010-15. Besides, in the absence of any instructions, there was non-realisation of revenue of ₹57.97 lakh due to non-disposal of empty gunny bags*

#### **Paragraph 1.4.10.6**

*Against the Central release of ₹153.05 crore for 2010-15, GoN released only ₹131.93 crore to the Nodal Department leading to short release of ₹21.12 crore. Besides, the State Government did not release its matching share to the extent of ₹7.95 crore during 2012-15.*

#### **Paragraphs 1.4.11.1& 1.4.11.2**

*There was short receipt of ₹3.42 crore by the selected SDEOs and Schools on account of cooking cost.*

#### **Paragraphs 1.4.11.8 & 1.4.11.9**

The inspection and monitoring mechanism was very poor. 55 per cent schools were never inspected or even a single inspection report was submitted by the inspecting officers.

**Paragraph 1.4.12.3**

**1.4.1 Introduction**

The GoI launched the “National Programme of Nutritional Support to Primary Education”, a Centrally Sponsored Scheme, popularly known as Mid-Day Meal (MDM) Scheme on 15 August 1995 for primary school children Classes I-V in Government, Local Body and Government aided schools. The scheme was intended to boost the universalisation of primary education by increasing enrolment, retention, attendance with simultaneous improvement on the nutritional status of students. The scheme was renamed as ‘National Programme of Mid-Day Meals in Schools’ from 1 October 2007. The scheme was also extended to Education Guarantee Scheme (EGS) and Alternative & Innovative Education (AIE) Centres (October 2002) and Madrasas/Maqtabs (April 2008) supported under *Sarva Shiksha Abhiyan* (SSA).

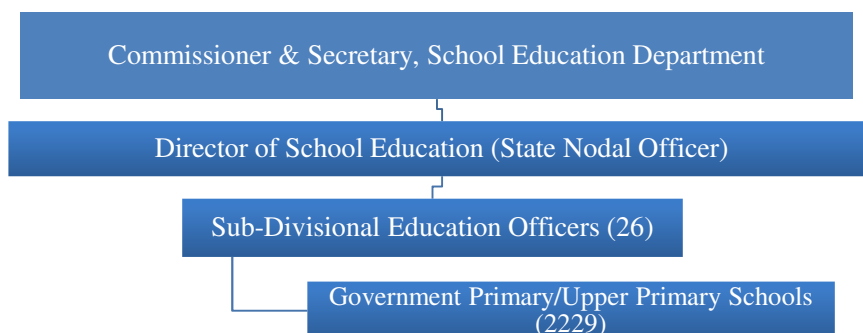
The revised guidelines (September 2006) made it mandatory that cooked meals be served to eligible children with nutritional value of 450 calories, 12 grams of protein and adequate quantities of essential micronutrients and de-worming medicines. The calorific value for the Upper Primary stage was fixed at 700 calories and 20 grams of protein.

The central support was provided by way of supply of free food grains through the nearest Food Corporation of India (FCI) godown @ 100 grams/150 grams per child per school day in Primary/Upper Primary schools. GoI also provided funds for cooking costs, construction of kitchen sheds-cum-stores, purchase of kitchen devices, transportation cost of food grains, honorarium to cooks and expenditure on Management, Monitoring and Evaluation (MME).

**1.4.2 Organisational set up**

The Commissioner & Secretary to the Government of Nagaland, Education Department is the head of the MDM programme in the State. The Director of School Education (DSE) is the State Level Nodal Officer responsible for planning, implementation and monitoring of the programme. The organisational setup for implementation of Mid-Day Meal Scheme in the State is depicted in the following chart.

**Chart 1.4.1**



### **1.4.3 Audit Objectives**

The audit objectives were to assess whether:

- the scheme was implemented in a planned manner to cover all the eligible primary and upper primary level school children;
- the scheme achieved its objective of enhancing enrolment, retention and attendance in Primary and Upper Primary schools;
- the scheme achieved its objective of improving the nutritional status of children in Primary/Upper Primary classes;
- the funds allocated were utilised in an economic and efficient manner; and
- the implementation of the scheme was being effectively monitored.

### **1.4.4 Scope of Audit**

The Performance Audit of the scheme ‘National Programme of Mid-Day Meals in Schools’ covering the period from 2010-11 to 2014-15 was conducted from April to August 2015. The records of DSE, eight<sup>43</sup> Sub-Divisional Education Officers (SDEOs) in four<sup>44</sup> selected districts, 120 schools out of 1034<sup>45</sup> in the sample districts were selected by the Simple Random Sampling without Replacement (SRSWOR) method and Food Corporation of India were examined.

### **1.4.5 Audit Methodology**

The audit methodology comprised of an entry conference (29 August 2014), issue of audit requisitions, examination and analysis of records, issue of audit observations, joint physical verification, photographic evidence, beneficiary survey and exit conference. The draft report was issued to the government to solicit their replies. The replies and the views expressed during the exit conference (05 October 2015) were duly incorporated wherever relevant in the report.

### **1.4.6 Audit Criteria**

Audit findings are benchmarked against the criteria contained in the following sources:

- Scheme guidelines on National Programme of Nutritional Support to Primary Education MDM 2006;
- Guidelines for decentralisation of payment of cost of food grains to FCI at District level under MDM February 2010;
- Guidelines to ensure quality, safety and hygiene under MDMS July 2013;
- Various orders, notifications, circulars, instructions issued by MHRD/State Government;

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<sup>43</sup> Kohima, Chiephobozou, Dimapur, Niuland, Mon, Aboi, Tuensang and Shamator.

<sup>44</sup> Kohima, Dimapur, Mon and Tuensang.

<sup>45</sup> Excluding 17 Special Training Centres.



- Annual Work Plan and Budget prepared by the State Government;
- General Financial Rules; and
- Evaluation reports of the scheme.

#### **1.4.7 Acknowledgement**

We acknowledge the co-operation and assistance extended to us by the Department at all levels during the conduct of audit.

#### **Audit Findings**

The audit findings are discussed in the following paragraphs.

#### **1.4.8 Plan to cover all eligible Primary and Upper Primary level school children.**

##### **1.4.8.1 Preparation of Annual Work Plan & Budget**

Annual Work Plan & Budget (AWP&B) was required to be prepared by States based on information maintained at school level and aggregated in Block, District and State levels. It envisages a bottom-up approach, rather than a top-down approach.

Examination of records revealed that in preparation of AWP&B, the Department projected the children enrolment on the basis of information from District Information System for Education (DISE)/Unified District Information System for Education (UDISE) provided by Sarva Shiksha Abhiyan instead of independently compiling from the information maintained at school levels.

##### **1.4.8.2 Excess projection of number of children**

The allocation of food grains as well as funds for cooking cost, etc for implementation of the scheme was based on the projected number of children falling under the eligible bracket and approved by Programme Approval Board (PAB). Position of enrolment of students as per AWP&B and DISE/UDISE-SSA is given in the following table.

**Table-1.4.1**

Year	Enrolment of children Class-I to Class VIII		
	As per MDM AWP&B	As per DISE/UDISE- SSA	Excess over SSA
2010-11	2,62,324	1,87,117	75,207
2011-12	2,75,294	1,89,938	85,356
2012-13	2,68,678	1,94,387	74,291
2013-14	2,65,375	1,91,879	73,496
2014-15	2,08,121	1,65,613	42,508
<b>Total</b>	<b>12,79,792</b>	<b>9,28,934</b>	<b>3,50,858</b>

As could be seen from the table above, the Department prepared AWP&B with inflated student enrolment figures when compared to DISE/UDISE-SSA data. Thus, the Department was furnishing inflated figures of student enrolment to the GoI.



Audit analysis of DISE/UDISE-SSA vis-a-vis MDM-AWP&B data in the four selected districts revealed discrepancies as given in the table below:

**Table-1.4.2**

Year	Enrolment of children Class-I to Class VIII		
	As per MDM AWP&B	As per DISE/UDISE- SSA	Excess over SSA
2010-11	1,31,106	89,414	41,692
2011-12	1,37,524	89,231	48,293
2012-13	1,31,848	90,291	41,557
2013-14	1,30,914	90,123	40,791
2014-15	1,13,679	83,497	30,182
<b>Total</b>	<b>6,45,071</b>	<b>4,42,556</b>	<b>2,02,515</b>

*Source: SSA and Departmental records*

As could be seen from the above table above, the AWP&B in respect of the four districts were prepared by inflating student enrolment by 2,02,515 numbers over the figure of SSA.

Audit observed that the Department furnished inflated figures to the GoI to avail more food grain as well as funds than actually required for implementation of MDM.

The Department stated (October 2015) that the projections of children enrolment were inclusive of pre-primary and National Child Labour Project as the DISE/U-DISE figure does not cover the same. However, the fact remains that pre-primary children are covered by Supplementary Nutrition Programme implemented by the Social Welfare Department and are not eligible to be covered under the MDM programme.

#### **1.4.8.3 Convergence with other development programme not achieved**

Para 2.5 of the scheme guidelines envisaged that the MDM should be implemented in close convergence with several other development programmes such as Sampurna Grameen Rozgar Yojana, Basic Service for Urban Poor, Integrated Housing & Slum Development Programme, Swarna Jayanti Shahri RozgarYojana, Backward Regions Grant Fund for construction of Kitchens-cum-Store; SSA for new school construction; Accelerated Rural Water Supply Programme (ARWSP) and 'Swajaldhara' Scheme to meet water supply requirements; National Rural Health Mission (NRHM) for school health programme; etc. to ensure that all requirements of the programme were fully met in the shortest possible time-frame.

Examination of records in the five SDEOs in four districts revealed that the Department claimed to have constructed 11 kitchen-cum-stores at a cost of ₹ 36.50 lakh at the same schools constructed under SSA with provision for construction of kitchens (**Appendix-1.4.1**). It was also observed that 66 schools out of 120 inspected did not have provision for safe drinking water and none of the schools had maintained proper health check-up register to record gradual increase/maintenance of proper body weight of the children to watch if they were anaemic or not.

In reply to audit questionnaire, the Department stated (August 2015) that there was no convergence of MDM scheme with other development programme in the State.

Thus, non-convergence with other schemes led to deficiencies in smooth implementation of the scheme as many schools were left without drinking water facilities, health check-up to assess nutritional status of the children etc., as noticed during physical verification of selected schools.

The Department accepted the facts during exit conference.

#### **1.4.8.4 Information, education and communication (IEC) activities**

As per the scheme guidelines, State Governments/UT Administrations, Panchayati Raj Institutions PRIs and Municipal Bodies were expected to undertake IEC activities using their regular budget for publicity as well as by mobilising contributions from media groups, philanthropic organisations and the community.

It was noticed in audit that the Department had not made any effort to create awareness among parents through IEC activities like TV, Radio, print media, etc. Thus, the Department had not ensured adequate dissemination of information to parents and the public to ensure enrolment of their children in schools.

The Department accepted the fact during exit conference.

#### **1.4.8.5 Community Support**

Para 4.4 of the scheme guidelines envisaged that school management should be encouraged to draw support of the community. For this, Gram Panchayats and Village/Town Communities may be approached for nomination of community members regularly on a rotation basis to help the school management in ensuring efficient cooking, serving and cleaning operations.

The scheme also offers opportunities for involvement of Self Help Groups (SHGs) in management of the programme to ensure that the teaching process in the classroom was not affected.

Examination of records in eight selected SDEOs revealed that participation of community was minimal as given below:

- SDEO, Mon - Village Education Committee and Student Union were involved in verifying the distribution of MDM components to the schools.
- SDEO, Kohima - A women society (SHG) was engaged for providing cooked meal to 14 schools under common kitchen basis till September 2014.

The Department stated (October 2015) that since all the Government Schools in the State are community centric, the VECs/WECs has to monitor and oversee proper implementation of the scheme. The fact however remains that the community participation was minimal which led to teachers being engaged for cooking and supervising of MDM activities as mentioned at Paragraph 1.4.10.5.

**1.4.9 Enhancement in enrolment, retention and attendance in Primary and Upper Primary schools.**

**1.4.9.1 Enhancement in enrolment**

Para 1.4 of Scheme Guidelines envisages that the primary objectives of the scheme were enhancement of children enrolment, retention and attendance and simultaneously improving the nutritional levels among school going children.

The year-wise enrolment for the period from 2010-15 in the State is given below:

**Table 1.4.3**

Year	Enrolment of children as per the AWP&B		
	Primary	Upper Primary	Total
2010-11	2,29,010	67,051	2,96,061
2011-12	2,20,781	57,411	2,78,192
2012-13	2,12,519	57,159	2,69,678
2013-14	2,10,907	55,468	2,66,375
2014-15	1,68,202	39,919	2,08,121

*Source: Departmental figure*

As seen from the table, the enrolment figure decreased from 2,96,061 to 2,08,121 during 2010-15. Thus, the objective of enhancing enrolment of children was not achieved.

The Department while accepting the facts stated (October 2015) that the decrease in enrolment in Government schools was due to huge increase of enrolment in the private schools. This is indicative of the fact that the government schools were unable to attract the students despite number of welfare measures such as MDM, etc.

**1.4.9.2 Maintenance of daily attendance, retention and dropout**

The Department did not have any system of capturing daily attendance of children in Primary/Upper Primary Schools covered under the MDM scheme for consolidation at State/Sub-Divisional levels. This was also confirmed during examination of records as well as physical inspection of the selected 120 schools. Thus, the impact of MDM scheme on the basis of daily attendance of children during the period of review could not be ascertained. Similarly, it was also observed that the Department did not have any system of data capturing on retention/dropout rate of children in Primary/Upper Primary Schools covered under the scheme.

However, audit attempted to ascertain the position of child retention by comparing the enrolment of children from lower class to higher class in the following year. Year-wise position of number of children who could not be retained in the school on their promotion from lower class to higher class is detailed in the following table.

Table-1.4.4

Year	Number of children who left the school Class 1 to 8
2011-12	722
2012-13	1,344
2013-14	1,461
2014-15	1,520
2015-16	2,633
	<b>7,680</b>

As could be seen from the table above, the number of children who could not be retained on promotion from lower class to higher class in the following year was showing an increasing trend.

The Department, while accepting the facts, stated (October 2015) that the decreasing nature of children enrolment was due to children opting for private school.

#### **1.4.9.3 Impact on teaching**

Para 4.3 of the Scheme Guidelines envisage that teachers should, under no circumstances be, assigned responsibilities that will impede or interfere with teaching. Teachers should, however, be involved to ensure that good quality food served and the actual serving/eating is undertaken in a spirit of togetherness, under hygienic conditions, in an orderly manner so that the entire process is completed in 30-40 minutes.

Physical verification of the 120 selected schools revealed that in 101 schools, teachers (ranging from one to six) were found engaged directly in cooking or supervising cooking of food which may have impact on quality of teaching.

The Department stated (October 2015) that the teachers assist the cooks on rotational basis in their off/free periods.

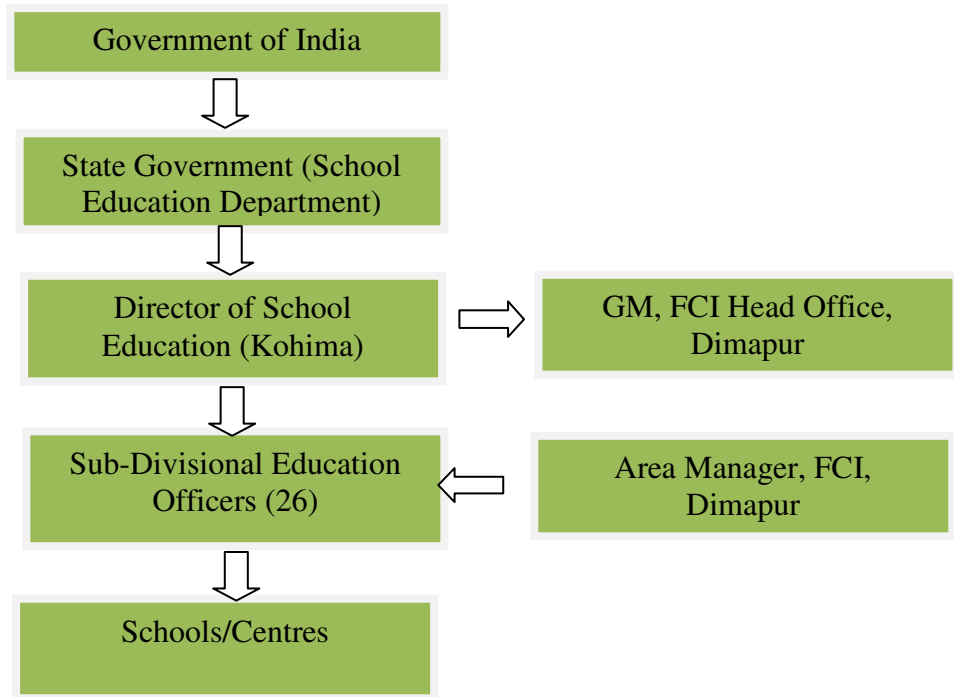
#### **1.4.10 Improving the nutritional status of children in primary and upper primary classes.**

##### **1.4.10.1 Allocation, lifting and utilisation of food grains**

The MDM scheme provided for supply of rice/wheat free of cost by the GoI at the rate of 100 grams and 150 grams per child per school day for Primary and Upper Primary students respectively.

In Nagaland, Rice was allotted by the GoI on the basis of plans approved by the Programme Approval Board of Mid-Day Meal. Thereafter, food grains were sub-allocated to the SDEOs and schools proportionately according to the number of eligible students and school working days for the year. Allocation and flow of food grains is shown in the Flow Chart below:

**Chart 1.4.2**



As per scheme guidelines the allocation and lifting of food grains should be routed through the respective District Administration (Deputy Commissioners) in the districts. However, it was observed that the Department did not adhere to the provision of the guidelines and instead engaged M/s. Vitoi Sumi a Dimapur based firm for lifting and transportation of food grains since 2004 without entering into any written agreement. In the absence of agreement, Audit could not ascertain the actual position for management of food grains as to whether:

- the firm engaged was a stockiest/handling agent/carriage contractor or supplier
- the firm was entitled to maintain any buffer stock;
- the firm was to furnish periodical details of food grains lifted and distributed along with claim of bills.

The position of allocation, lifting and distribution of food grains during the period 2010-15 are detailed in the table below:

**Table-1.4.5**

Year	Food grains allocated (PAB)		Food grains lifted			Food grains distributed			Undistributed balance
	Primary	Upper Primary	Primary	Upper Primary	Total	Primary	Upper Primary	Total	
2010-11	4316.70	1910.86	4316.70	1910.86	6227.56	4316.70	1910.86	6227.56	0.00
2011-12	4277.20	1582.20	4277.20	1582.20	5859.40	4277.20	1488.66	5765.86	93.54
2012-13	4620.00	1706.70	4620.00	1706.70	6326.70	4626.59	1699.23	6325.82	0.88
2013-14	4603.54	1694.27	4603.54	1694.27	6297.82	4563.60	1733.23	6296.83	0.99
2014-15	4509.46	1718.51	4509.46	1718.51	6227.97	3747.74	1517.60	5265.34	962.63
<b>Total</b>	<b>22326.90</b>	<b>8612.54</b>	<b>22326.90</b>	<b>8612.54</b>	<b>30939.45</b>	<b>21531.83</b>	<b>8349.58</b>	<b>29881.41</b>	<b>1058.04</b>

Source: Departmental figure

As seen from the above table, out of the total quantity of 30,939.45 MT lifted by the firm during 2010-15, only 29,881.41 MT was distributed, leaving an undistributed balance of 1058.04 MT. Examination of the quarterly progress report and utilisation certificate for the 4<sup>th</sup> Quarter of 2014-15, however, revealed a balance of 942.67 MT. Thus, 115.37 MT of food grains valued at ₹ 6.52 lakh remained unaccounted.

The Department stated (October 2015) that there was unspent balance of 48.34 MTs of food grains during 2009-10 which was utilised as buffer stock as the same quantity was short allocated by GoI during 2010-11. After verifying the stock position, the current unspent balance buffer stock available with the stockist as of 2014-15 was 1352.16 MTs. It is an admission by the Department that balance shown in the utilisation certificate for the 4th quarter of 2014-15 was wrong.

#### **1.4.10.2 Discrepancy between lifting, allocation and actual delivery of food grains**

The position of allocation orders of food grains issued by the DSE, actual quantity delivered by the firm and the departmental figure is shown in the following table:

**Table-1.4.6**

Quantity in MT			
Year	Departmental lifting figure	Quantity lifted as per delivery challans	Difference Col.2-3
1	2	3	4
2010-11	6227.56	5654.29	573.26
2011-12	5859.40	5161.44	697.95
2012-13	6326.70	6485.14	-158.44
2013-14	6297.81	6283.93	13.88
2014-15	6227.97	5401.68	826.28
<b>Total</b>	<b>30939.45</b>	<b>28986.48</b>	<b>1952.93</b>

Source: Departmental figure and delivery challans

As seen from the table above, there was short delivery of 1952.93 MT amounting to ₹ 1.10 crore.

The Department stated (October 2015) that the discrepancy arose due to non-submission of delivery challans to audit that was misplaced.

#### **1.4.10.3 Delay in allocation of food grains**

Para 3.3 of the scheme guidelines envisages that State Government should ensure that there is uninterrupted supply of food grains from FCI godown to schools. Para 3.4 of the guidelines further envisages that the State Nodal Department will convey district-wise allocations for the next financial year to all District Nodal Agencies.

Examination of approval letters and lifting/allocation revealed that there was delay ranging from three to 95 days by the Government of Nagaland and three to 62 days by the DSE in lifting of food grains. This contributed to considerable delay in transportation of food grains by the carriage contractor to the SDEOs ranging from one month to 5 ½ months in the eight selected SDEOs. Details are shown in the following table:



**Table-1.4.7**

Sl. No.	Name of the SDEO	Period of delay in months									
		2010-11		2011-12		2012-13		2013-14		2014-15	
		Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest
1.	Aboi	1	3.5	2	5.5	2.5	4.5	2	3.5	1	4.5
2.	Mon	1	4.5	3	5	2	4	1	3	1	4.5
3.	Chiephobozou	1	4	2.5	5	2	3.5	2	2.5	1	4
4.	Kohima	1	4	3	4.5	2	3.5	1	2	1	4
5.	Shamator	1	4	2	5.5	2	4.5	2	3	2	4
6.	Tuensang	1	4	3	5.5	2	4	1	3.5	1.5	4.5
7.	Niuland	3	4	4	4.5	3	3.5	2.5	3	1.5	4
8.	Dimapur	2	4	4	4.5	3	3.5	3	3.5	1	4

*Source: Departmental figure*

As could be seen from the table above, there were delays in allocation which resulted in delayed distribution of food grains. The delayed distribution of food grains resulted in non-provision of mid-day meals to the beneficiaries.

The Department stated (October 2015) that food grains could not be delivered to the destination in time considering the topographical and difficult terrains particularly in the monsoon season due to deplorable road condition. However, the reply was silent regarding the delays on the part of the Government and the Department.

#### **1.4.10.4 Discrepancy between Government lifting order and Departmental lifting report**

The year-wise position of food grains as per State Government lifting order and Departmental lifting report are shown in the following table:

**Table-1.4.8**

Year	Quantity as per State Government approval	Quantity as per Directorate lifting report	Quantity in MT
			Excess - /short + Col. 2-3
1	2	3	4
2010-11	6179.19	6227.56	-48.36
2011-12	6645.92	5859.40	786.50
2012-13	5899.98	6326.70	-426.75
2013-14	6297.84	6297.81	0.03
2014-15	6251.71	6227.97	23.74
<b>Total</b>	<b>31,274.59</b>	<b>30,939.44</b>	<b>335.16</b>

*Source: Information furnished by FCI and Departmental figure*

As seen from the above table, there was overall short lifting of 335.16 MT of food grains reported by the Department valued at ₹ 18.94 lakh.

The Department stated (October 2015) that there should not be any discrepancy as the Government lifting order and Nodal Department lifting order are the same and the same had been compared with FCI bills and payments made. However, the facts remain that the above position were reported to the GoI by the Department itself.

**1.4.10.5 Status of infrastructural back-up**

Para 4.2 of Scheme Guidelines envisaged construction of kitchen cum store separate from class room well ventilated and designed, so that there is a separate storage facility with locks to check pilferage. Examination of records of 120 schools in four districts revealed that 35 schools had no kitchen shed. Schools where kitchen sheds were available did not have provision for ventilation, drainage or waste disposal and enough space for cooking and washing of utensils. 26 schools reported cooking of food in the open space and 17 in teachers' room.

Some photographs showing irregular use of kitchens and storage of food grains are shown below:

**Photographs 1.4.1**

Status of kitchen cum store in the physically verified schools		
		
Kitchen cum store room constructed under MDM of GMS, Chumukedima	Inside of Kitchen cum store of GMS, Chumukedima, Dimapur	
		
Kitchen cum store room constructed under MDM of GHS, Mon Town C	Preparation of MDM in a unhygienic surrounding at GHS, Mon Town C	Inside of Kitchen cum store of GHS, Mon town C
		
Kitchen cum store constructed under MDM of GMS, Yangli, Tuensang	Inside of Kitchen cum store and uncleaned cooking devices of GMS, Yangli, Tuensang	

The Department stated (October 2015) that many of the kitchen sheds constructed prior to 2010-11 were in dilapidated condition, damaged due to winds, fire,

landslide etc. and some were dismantled due to bad condition. The Department further stated that guidelines for safety & hygienic measures, proper usage and maintenance of the kitchen shed were issued to the SDEOs concerned and action taken reports were being obtained.

#### **1.4.10.6 Nutritional support**

Government of India issued instructions that children in Primary classes were to be provided with Pulse-20 gms, Vegetables-50 gms, Oil- 5 gms and children in Upper Primary classes were to be provided with Pulse-30 gms, Vegetables-75 gms and Oil-7.5 gms per meal.

Para 2.2.2 of the Scheme Guidelines envisaged providing of cooked meal to the eligible children with nutritional content of 450 calories, 12 grams of protein on all school working days and adequate quantities of micronutrients like iron, folic acid, vitamin-A etc.

Physical inspection (April-June 2015) of 120 schools spread over four districts revealed the following:

- As per norms beneficiaries were to be provided with cooked meal for 220 days in a year. In the selected 120 schools cooked meals were to be provided for 26400 days<sup>46</sup> during the period covered by audit. Against this cooked meals were provided for 3834 days only resulting in short fall of 22566 days. Thus the beneficiaries were deprived of cooked meals for 85.50 *per cent* of days. Average annual short fall ranged between 100 and 219 days;
- 35 schools had no kitchen-cum Stores;
- Foods were cooked in open space in 26 cases, in teachers' room in 17 cases and in class rooms in 2 cases;
- 72 schools did not have sufficient cooking pots;
- 224 teachers in 101 schools were engaged in cooking of food for more than maximum permissible time;

As per norms cooked meals were to be provided to the beneficiaries. However, 43 schools reported distribution of 103 quintals of raw rice to the children. Distribution of raw rice defeated the objective of providing cooked meals to the students. Further, chances of the food grains reaching to unintended beneficiaries such as parents and siblings outside the age group of 6-14 could not be ruled out;

- 6 schools sold 21.50 quintals of food grains to meet transportation cost etc.;
- 66 schools were not inspected by higher authorities;
- 66 schools did not have drinking water facility;

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<sup>46</sup> 120 x 220=26400

- 40 schools out of 86 reported that immunization health check-up only was conducted.

Thus, the children were denied nutritional food, micro-nutrient supplements and periodical health check-up as prescribed in the guidelines of the Scheme.

The Department stated (October 2015) that necessary steps to improve the lapses are being taken up.

#### 1.4.10.7 Food grains not lifted from nearest FCI, FSD

Para 2.3 of the Scheme Guidelines envisaged lifting of food grains from the nearest FCI, FSD in the State. GoI revised the existing transport assistance at a flat rate of ₹ 125 per quintal to the rate prevalent under Public Distribution System PDS in the respective State with effect from 1.12.2009.

For transportation of food grains under MDM, the Department engaged M/s Vitoi Sumi, Dimapur and allowed transportation cost at flat rate of ₹ 125 per quintal instead of applicable PDS transport carriage rates within the State.

According to information furnished by the Manager, Food Corporation of India, Dimapur there were four FCI, FSD in Nagaland viz., Dimapur, Mokokchung, Mon and Tuensang functioning as on August 2009. However, the State Nodal Department limited lifting of MDM food grains only from the FCI, FSD Dimapur in contravention to guidelines.

The details of PDS rates prevalent in the districts, food grains transported to the eight selected SDEOs and cost involved during 2010-11 to 2014-15 are shown in the following table:

**Table-1.4.9**

Sl. No.	Name of the SDEO	Total quantity of food grains transported (in quintal)	Rate allowed	Prevalent PDS rate	Excess allowed	Total (in ₹)
			(₹ per quintal)			
1.	Dimapur	41,654.59	125	10	115	47,90,277.85
2.	Niuand	11,327.57	125	26	99	11,21,429.43
3.	Mon	21,668.28	125	19	106	22,96,837.68
4.	Aboi	7,385.05	125	80	45	3,32,327.25
5.	Tuensang	20,526.97	125	19	106	21,75,858.82
6.	Shamator	8,167.31	125	96	29	2,36,851.99
7.	Kohima	10,582.44	125	40	85	8,99,507.40
8.	Chiephobozou	3,447.05	125	45	80	2,75,764.00
<b>Total</b>		<b>1,24,759.26</b>				<b>121,28,854.42</b> <b>Say ₹ 1.21 crore</b>

Source: Delivery challans

Thus, non-adherence to adopt PDS rates and follow lifting norms the Department incurred excess expenditure of ₹ 1.21 crore on transportation of food grains.

The Department stated (October 2015) that process for lifting of food grains from the FCI & FSD located in different districts in the State is on as agreed by the FCI authority.

**1.4.10.8 Doubtful delivery of food grains**

M/s Vitoi Sumi, was engaged for transportation of food grains under the Scheme. The firm furnished (July 2015) carriage capacity of 20 vehicles used for transportation of food grains to 26 SDEOs. Out of the 20 vehicles, the carriage capacity of two vehicles was 160 bags 50 kg each and that of the remaining 18 vehicles were 200 bags.

Cross verification of the carriage capacity and the food grains transported to the SDEOs for the period 2010-15 revealed that 3627.50 quintals of food grains were shown transported in excess of the carriage capacity certified by the firm. Details are shown in the following table.

**Table-1.4.10**

Particulars	Total quantity transported (as per delivery challans in bags)	Carriage capacity in bags	Excess transportation shown beyond the carriage capacity		
			Bags	Quintals	Food grain value @ ₹ 565 per quintal
18 vehicles with capacity of 200 bags	14,313	13,400	913	456.50	2,57,922.50
2 vehicles with capacity of 160 bags	43,942	37,600	6342	3171.00	17,91,615.00
<b>Total</b>	<b>58,255</b>	<b>51,000</b>	<b>7255</b>	<b>3627.50</b>	<b>20,49,537.50</b> Say ₹ 20.50 lakh

Source: Delivery challans and certified carriage capacity furnished by the firm

As seen from the table above, 3627.50 quintals of food grains valued at ₹ 20.50 lakh was transported beyond the self-certified carriage capacity of 20 vehicles. Since the vehicles are not allowed to carry more than its laden capacity, the carriage of food grains valuing ₹ 20.50 lakh remained doubtful.

The Department stated (October 2015) that the carriage capacity of the vehicles was as per RC book. However, the carriage contractor followed the practice of loading more than the laden capacity mostly in Dimapur district.

**1.4.10.9 Loss of revenue due to empty gunny bags not being accounted**

As per allocation made by the Department the carriage contractor transported 289865.09 quintals of food grains to the 26 SDEOs in 11 districts during 2010-15. The food grains were supplied in gunny bags of 50 kg each. Details are shown in the following table:

**Table-1.4.11**

Year	Quantity in quintal	Quantity per bag in kg	No. of gunny bags required	Value @ ₹ 10 per bag
2010-11	56542.99	50	1,13,086	11,30,860
2011-12	51614.46	50	1,03,229	10,32,290
2012-13	64851.42	50	1,29,703	12,97,030
2013-14	62839.37	50	1,25,678	12,56,780
2014-15	54016.85	50	1,08,033	10,80,330
<b>Total</b>	<b>289865.09</b>		<b>5,79,729</b>	<b>57,97,290</b> Say ₹ 57.97 lakh

Source: Delivery challans of foodgrains

However, the Department did not issue any instruction on the manner for disposal of empty gunny bags. Thus, there was non-realisation of revenue of ₹ 57.97 lakh.



The Department stated (October 2015) that there was no provision for disposal of empty gunny bags in the guidelines. However, the Department stated that the audit observation has been noted for future action.

#### **1.4.10.10      *Dissemination of information***

Para 6.3 of the Scheme Guidelines envisaged display of information in all schools regarding quantity/quality of food grains received etc., on a weekly/monthly basis.

None of the 120 test-checked schools adhered to the above provisions of the Guidelines. This indicated that the implementing schools did not ensure adequate dissemination of information to the general public and also failed to ensure transparency, as envisaged in the Guidelines.

The Department stated (October 2015) that respective schools will be instructed for dissemination of such information.

#### **1.4.11              *Financial Management.***

##### **1.4.11.1          *Funding pattern***

Funding of three components of the Programme namely cooking cost, honorarium for cook and construction of kitchen sheds were shared by Centre and State on 90:10 basis. Other components of the Programme were fully funded by the Government of India.

In terms of Scheme Guidelines, funds released by the GoI to the State were to be released to the State Nodal Officer, who then released it to the State Nodal Department. The Department subsequently disburse funds to schools, based on actual enrolment of children.

In Nagaland, for implementation of the scheme, funds from the GoI along with State's matching Share of 10 *per cent* are placed at the disposal of the DSE. The DSE disbursed the funds to the SDEOs who subsequently disburse to the schools under their jurisdiction.

##### **1.4.11.2          *Release of funds and expenditure***

The details of funds provisioned and released by Centre/State Governments, and expenditure during 2010-15 are shown in the following table:



**Table-1.4.12**

₹ in lakh

Year	Fund provision				Central fund released by State			Total fund with the Department.	Expenditure	Excess+ /Saving-
	Share Central or State	Budget	Actual	Short release of state share	Centre	State	Excess(+) Saving(-)			
2010-11	Central	4041.32	4041.32	20.52	4041.32	1788.99	(-) 2252.33	1994.96 <sup>47</sup>	2164.11	169.15
	State	709.90	689.38							
	Total	4751.22	4730.70							
2011-12	Central	2464.37	2464.37	00	2464.37	2895.05	430.68	3433.40 <sup>48</sup>	3379.16	(-)54.24
	State	216.25	216.25							
	Total	2680.62	2680.62							
2012-13	Central	2818.23	2818.23	248.29	2818.23	2997.64	179.41	3158.95 <sup>49</sup>	3398.19	239.24
	State	248.29	00							
	Total	3066.52	2818.23							
2013-14	Central	2924.51	2924.51	262.33	2924.51	2376.40	(-) 548.11	2376.40 <sup>50</sup>	3178.69	802.29
	State	262.33	00							
	Total	3186.84	2924.51							
2014-15	Central	3056.93	3056.93	272.75	3056.93	3135.29	78.36	3135.29 <sup>51</sup>	1000.13	(-)2135.16
	State	272.75	00							
	Total	3329.68	3056.93							
<b>Grand total</b>		<b>17014.88</b>	<b>16210.99</b>	<b>803.89</b>	<b>15305.36</b>	<b>13193.37</b>	<b>(-) 2111.99</b>	<b>14099.00</b>	<b>13129.28</b>	<b>-978.72</b>

Source: Release of funds by Central and State Governments

As seen from the table above, out of total Central release of ₹ 153.05 crore, GoN released an amount of ₹ 131.93 crore to the Department for implementation of MDM Scheme resulting in short release of Central fund of ₹ 21.12 crore. Out of the total available fund of ₹ 140.99 crore, the Department spent of ₹ 131.29 crore leaving an unspent balance of ₹ 9.79 crore as on March 2015.

#### **1.4.11.3 Non-release of State share**

During 2010-15, the GoI released ₹ 153.05 crore against which GoN share would work out to ₹ 17.01 crore. However, the State Government released only ₹ 9.06 crore. Thus, there was short release of State share of ₹ 7.95 crore which had adverse impact on the implementation of the scheme. On an average at least 3263 children in a year were deprived of cooked meal and in some instances food grains were distributed instead of cooked meal.

The Department stated (October 2015) that it is pursuing the State Planning Department for release of State share.

#### **1.4.11.4 Delay in release of Central assistance funds by the State**

According to Para 3.3 (ii) of the scheme guidelines, State Nodal Departments need to ensure that the State Finance Department releases the funds for Mid-Day Meal expeditiously.

Examination of the records relating to Central and State Governments release orders revealed that there were delays in release of funds by the State Finance Department

<sup>47</sup> Includes unspent balance of ₹ 52.69 lakh for the year 2009-10.

<sup>48</sup> Includes ₹ 2581.81 lakh for the year 2010-11.

<sup>49</sup> Includes ₹ 1982.96 lakh for the year 2011-12.

<sup>50</sup> Includes ₹ 1642.24 lakh for the year 2012-13.

<sup>51</sup> Includes ₹ 2190.36 lakh for the year 2013-14.

ranging from 97 to 429 days to the Nodal department (*Appendix-1.4.2*). Due to this the Department could not release MDM cash components to the districts on time.

**1.4.11.5 Funds parked in Civil Deposit shown as final expenditure in the UC**

The Department parked ₹ 8.30 crore in 2012-13 and ₹ 9.06 crore in 2014-15 in 'Civil deposit'. The amount parked in 2012-13 (₹ 8.30 crore) was withdrawn in two instalments in March 2013 (₹ 3.45 crore) and October 2013 (₹ 4.85 crore) respectively. However, the amount of ₹ 4.85 crore withdrawn during 2013-14 was reported as final expenditure in UC issued for the financial year 2012-13 itself. Thus, there was misreporting in submission of utilization certificate to the GoI resulting in inflated expenditure figures during 2012-13.

The Department stated (October 2015) that UCs were submitted to the GoI in anticipation of expenditure as the funds had already been sanctioned by the State Finance Department. However, the Department assured that such recurrence will be avoided in future.

**1.4.11.6 Non-release of funds under Management, Monitoring and Evaluation (MME)**

Para 6.4 of scheme guidelines envisages that 2 per cent, of Central Assistance, of cost of (i) food grains, (ii) transportation cost and (iii) cooking cost is earmarked for Management, Monitoring and Evaluation (MME), to be utilised by Centre and State in the proportion of 0.2 per cent and 1.8 per cent respectively.

Out of the total available MME funds to be allocated to State, 50 per cent should be earmarked for school level expenses on procurement of stationery, furniture etc.; 35 per cent for management, supervision, training and internal monitoring and evaluation and 15 per cent for external monitoring and evaluation.

The GoI released ₹ 2.27 crore under MME during the period 2010-15. Out of total release of ₹ 2.27 crore, the Department received only of ₹ 1.90 crore which resulted in short receipt of ₹ 0.37 crore as MME. However, examination of records of SDEOs/Schools revealed that none of the schools received any funds under MME. Thus, the schools were deprived of their share of MME.

The Department stated (October 2015) that MME funds had been utilised in meeting various expenditure such as SDEO's godown rent, printing, workshop and seminars etc. However, the fact remained that the funds were not used for the purpose it was meant.

**1.4.11.7 Framing of State norms of expenditure**

As per para 3.3 of the scheme guidelines, every State Government should prescribe and notify its own norms of expenditure on the MDM Scheme, known as "State Norms". The State norms should spell out inter alia, modalities for ensuring regular and uninterrupted provision of nutritious cooked meal.

It was observed that GoN had not prescribed any State norms of expenditure on the MDM Scheme to ensure uninterrupted supply of nutritious cooked food.

The Department stated (October 2015) that it had brought out 'State norms' in Implementation Manual for Mid-Day Meal Scheme (September 2015) only after being pointed out in audit.

**1.4.11.8 Irregularities in management of cooking cost**

The scheme guidelines envisage that a minimum of one month's requirement of cooking cost is made available to the schools in advance. Central assistance release for one component will not be re-appropriated or diverted for any other components of the programme.

Examination of records of the Department revealed that there were irregularities in management of cooking cost fund as detailed in the following table:

**Table-1.4.13**

₹ in lakh

Year	Funds released			Funds available to the Department			Released to SDEOs	Balance Col.7-8
	Central	State	Total	Central	State	Total		
1	2	3	4	5	6	7	8	9
2010-11	1308.60	154.28	<b>1462.88</b>	1308.60	154.28	<b>1462.88</b>	1254.61	208.27
2011-12	1507.22	167.59	<b>1674.81</b>	1507.22	167.59	<b>1674.81</b>	1581.16	93.65
2012-13	1724.01	0	<b>1724.01</b>	1724.01	0	<b>1724.01</b>	1520.47	203.54
2013-14	1850.67	0	<b>1850.67</b>	1850.67	0	<b>1850.67</b>	1122.84	727.83
2014-15	1985.23	0	<b>1985.23</b>	595.57	0	<b>595.57</b>	0	595.57
<b>Total</b>	<b>8375.73</b>	<b>321.87</b>	<b>8697.60</b>	<b>6986.07</b>	<b>321.87</b>	<b>7307.94</b>	<b>5479.08</b>	<b>1828.86</b>

Source: SDEOs and Departmental records

As seen from the above table, the State did not release ₹ 13.89 crore of Central assistance for the year 2014-15. State Government also did not release its matching share of ₹ 6.18 crore<sup>52</sup> during 2012-13 to 2014-15. Out of ₹ 73.08 crore made available to the Department, only ₹ 54.79 crore was released to the SDEOs (March-2015).

Against the un-utilised fund of ₹ 18.29 crore, the Department furnished (August 2015) details of funds for the years 2013-14 and 2014-15 amounting to ₹ 13.23 crore only and an amount of ₹ 5.06 crore remained unaccounted.

The Department in reply (October 2015) stated that the required documents were misplaced during shifting of the office, therefore, the related Actual Payee Receipts (APRs) could not be produced during the process of audit. It added that APRs for ₹ 249.27 lakh (2010-11) have now been traced and furnished to audit. It also added that the short release was due to amount paid (₹ 366.40 lakh) to FCI being the carried over payments for food grains supplied during the year 2011-12 and 2014-15.

<sup>52</sup> State share ₹ 191.56 lakh (2012-13), ₹ 205.63 lakh (2013-14) and ₹ 220.58 lakh (2014-15)= ₹ 617.77 lakh

The reply is not acceptable as ₹ 249.27 lakh (2010-11) claimed as disbursed to the SDEO's were not received in the selected eight SDEOs. No proof of the receipt of the amount and its further disbursement to the schools was available or furnished. As regards, ₹ 366.40 lakh paid to the FCI, the fact is that the funds were not used for the purpose (i.e., cooking cost, transportation cost and honorarium, etc) it was meant.

#### 1.4.11.9 Short receipt of cooking cost by SDEOs

During the period 2010-15, a total fund of ₹ 73.08 crore was sanctioned to the Department as cooking cost. Out of this, ₹ 54.79 crore was allocated to the 26 SDEOs in the State. The total fund allocated to the eight selected SDEOs was ₹ 22.32 crore.

Examination of records of the selected eight SDEOs revealed short-receipt by the seven SDEOs. One SDEO Chiephobozou stated non-availability of records for the period 2010-11 and 2011-12. Details are shown in the following table:

**Table-1.4.14**

				Amount in ₹
Sl. No	Name of the SDEO	Amount as per Directorate allocation	Amount recorded as per Cash Book/Stock registers of the SDEOs	Short-receipt
1	Tuensang	4,05,30,490	3,92,40,033	12,90,457
2	Shamator	1,31,16,408	1,16,48,371	14,68,037
3	Mon	4,25,00,935	3,82,71,187	42,29,748
4	Aboi	1,38,68,190	1,16,07,524	22,60,666
5	Dimapur	6,61,12,736	6,,42,69,895	18,42,841
6	Niuland	2,14,26,228	1,83,02,677	31,23,551
7	Kohima	1,88,59,004	1,48,53,575	40,05,429
<b>Sub-Total</b>		<b>21,64,13,991</b>	<b>19,81,93,262</b>	<b>1,82,20,729</b> <b>Say ₹ 1.82 crore</b>
8	Cheiphobozou <sup>53</sup>	68,39,623	Not computed due to absence of records.	
<b>Grand Total</b>		<b>22,32,53,614</b>		

Source: Departmental & SDEOs' records

From the table above, it could be seen that against the allocation/disbursement of ₹ 21.64 crore by the Department the records of the seven SDEOs showed receipt of only ₹ 19.82 crore. Thus, there was short-receipt of ₹ 1.82 crore by the SDEOs.

The Department stated (October 2015) that the concerned SDEOs had certified receipt of the cooking cost in full, however, the required information could not be produced during audit due to misplacement of records, especially for the year 2010-11.

#### 1.4.11.10 Short-receipt of cooking cost by selected schools

Scheme guidelines envisage that cooking cost as per norm should be released to the schools expeditiously for smooth implementation of the scheme so as to enable serving of good quality of cooked meal to the eligible children on all school working days.

<sup>53</sup> Records for the period 2010-11 and 2011-12 (1st & 2nd Quarter) not available.

Examination of records of 120 schools under eight selected SDEOs revealed that in 83 schools there was discrepancy between the amount shown disbursed as per SDEO's records and actual amount of cooking cost received by the schools. Details are shown in the following table:

**Table-1.4.15**

					Amount in ₹
Sl. No.	Name of the SDEO	Number of schools	Amount disbursed as per records of SDEOs	Amount received as per records of schools	Short receipt by the schools
1.	Kohima	15	24,69,043	11,27,489	13,41,554
2.	Chiephobozou	6	7,06,757	3,35,891	3,70,866
3.	Dimapur	21	79,66,928	18,67,071	60,99,857
4.	Niuland	7	24,29,007	9,70,678	14,58,329
5.	Mon	20	82,60,121	29,15,910	53,44,211
6.	Aboi	8	14,43,827	9,54,486	4,89,341
7.	Shamator	6	17,02,015	8,28,972	8,73,043
<b>Total</b>		<b>83</b>	<b>2,49,77,698</b>	<b>90,00,497</b>	<b>1,59,77,201</b> <b>Say ₹ 1.60 crore</b>

*Source: Departmental record and stock maintained by selected schools*

Thus, against the disbursement of ₹ 2.50 crore as per SDEO's records the schools received only ₹ 0.90 crore resulting in short receipt of ₹ 1.60 crore. Remaining 37 schools did not maintain any records relating to receipt and utilization of cooking cost. The short receipt would work out to 68.96 per cent.

The Department stated (October 2015) that the discrepancies were due to poor maintenance of records by the school teachers who were not properly trained and frequent changes of MDM teacher-in-charge.

The reply is an attempt to cover up the lapses to shield the officials involved in malpractices. This lack of accountability encourages such irregularities in future also. There is a need for further examination in the matter by the Department threadbare and fix responsibility on the officers involved in the malpractices.

#### **1.4.11.11 Irregularities in management of transportation cost**

Para 3.8 of the scheme guidelines envisaged that the State Government shall, wherever appropriate, engage a single Government/Semi-Government agency with state-wide jurisdiction and network, e.g. State Civil Supplies Corporation, as the State Nodal Transport Agency. This Agency will be responsible for lifting food grains from FCI godowns and delivering them to designated authority at the taluk/block level. State Government will also need to make foolproof arrangements to ensure that the food grains are carried from the taluk/block level to each school, etc., in a timely manner.

The Department engaged a private transport agency M/s Vitoi Sumi, Dimapur for transportation of rice from the FCI Godown located at Dimapur to the 26 SDEOs in the 11 districts at a uniform rate of ₹ 125 per quintal. Transportation cost from the SDEOs to the respective schools was fixed at ₹ 124 per quintal.

During the period 2010-15, a total fund of ₹ 6.48 crore was sanctioned to the Department under transportation cost, out of which an amount of ₹ 3.15 crore and ₹ 1.42 crore were paid to the carriage contractor and SDEOs respectively, as shown in the following table:

Table-1.4.16

Year	Quantity transported by carriage contractor Quintal	Transportation cost released to the Department	Payment made to the			Short released
			Carriage contractor	SDEO	Total	
(₹ in lakh)						
2010-11	56,542.99	153.93	69.22	0.00	69.22	84.71
2011-12	51,614.46	145.17	72.75	71.94	144.69	0.48
2012-13	64,851.42	157.53	77.63	70.18	147.81	9.72
2013-14	62,839.37	156.69	76.95	0.00	76.95	79.74
2014-15	54,016.85	46.71	18.25	0.00	18.25	28.46
<b>Total</b>	<b>289,865.09</b>	<b>647.68</b>	<b>314.80</b>	<b>142.12</b>	<b>456.92</b>	<b>203.11</b>

Source: GoI release and Departmental records

From the above table it could be seen that there was a short release of transportation cost of ₹ 2.03 crore. This had adverse effect on implementation of the programme as it was stated by the teacher in-charge of six schools that the schools had to sell out some quantity of rice to meet the cost of transportation.

The Department stated (October 2015) that APRs against the release of ₹ 84.71 lakh 2010-11, was furnished to audit. The Department further stated that due to short release of ₹ 59.12 lakh (2012-13) by the GoI, there was short payment of ₹ 9.72 lakh to the schools and ₹ 28.46 lakh (2014-15) had been paid to the carriage contractor. The Department also assured that ₹ 79.74 lakh pertaining to 2013-14 will be distributed to the schools shortly.

The reply is not acceptable as ₹ 84.71 lakh claimed by the Department as disbursed to the SDEO's during 2010-11 was neither found received in the records of concerned SDEOs nor any records of disbursement to schools maintained in the selected eight SDEOs.

#### 1.4.11.12 Short-receipt of transportation cost by selected schools

The scheme guidelines envisage reimbursement of the actual cost of transportation of food grains from the nearest FCI godown to schools. However, in Nagaland the school authorities collect the food grains from the SDEOs' store from time to time. The SDEOs also disburse the transportation cost of food grains to the schools from time to time.

Out of eight SDEOs test checked, 73 schools of five SDEOs received less transportation cost against the amount shown as disbursed in the records of SDEOs concerned. The details of transportation cost disbursed and short receipt by the selected schools are as shown below:



**Table-1.4.17**

Sl. No.	Name of the Sub-Divisional Education Officer	Number of schools	Amount disbursed as per records of SDEOs	Amount in ₹	
				Amount received by the schools as per stock	Short receipt by schools
1.	Kohima	19	84,569	20,770	63,799
2.	Chiephobozou	8	25,223	3,000	22,223
3.	Mon	20	1,14,400	23,200	91,200
4.	Dimapur	19	1,49,235	8,200	1,41,035
5.	Shamator	7	80,135	6,500	73,635
<b>Total</b>		<b>73</b>	<b>4,53,562</b>	<b>61,670</b>	<b>3,91,892</b> Say ₹ 3.92 lakh

*Source: Departmental and school records*

During physical verification the schools reported that at the time of lifting, some quantity of food grains was sold to meet the transportation cost. Thus, short receipt of ₹ 3.92 lakh of transportation cost was compromised with the quantity of food grains received for implementation of the scheme. The short receipt would work out to 68.96 per cent of amount disbursed by the SDEOs as transportation cost to the schools.

The Department stated (October 2015) that the discrepancy was due to poor maintenance of records by the school teachers who were not properly trained and frequent changes of MDM teacher-in-charge.

The reply of the Department is yet again an attempt to cover up the lapses to shield the officials involved in corrupt practices.

**1.4.11.13 Irregularities in scheme implementation through AIE/EGS centres and NCLP operating in the State.**

In 2006, GoI extended the programme to the children of class I-V in Government, Local Body, Government Aided Schools, Education Guarantee Scheme and Alternative Innovative Education Centres in order to improve the nutritional status and to address two of the most pressing problems for the majority of children in India, namely, hunger and education. It was extended upto class VIII in 2008.

**(i) AIE/EGS centres**

The Department prepared budget estimate in the AWP&B 2010-11 for 192 EGS and 158 AIE Centres involving 16,900 and 15,837 students respectively, in the State. Accordingly the PAB approved programme implementation in the 350 centres. However, the Department could not produce any records on the implementation of the scheme in these Centres.

**(ii) National Child Labour Programme (NCLP)**

Based on the PAB approval, the Department included 17 NCLP schools each year during 2011-15 for implementation of MDM in Dimapur district for a total budget estimate of ₹ 47.27 lakh. (₹ 34.78 lakh for cooking cost, ₹ 3.03 lakh for transportation cost of 167.38 MT valued at ₹ 9.46 lakh).

Examination of records revealed that the Department allocated only ₹ 29.83 lakh cooking cost and 120 MT of food grains to the SDEO, Dimapur. Thus, the SDEO,

Dimapur short received ₹ 4.95 lakh cooking cost, 47.38 MT food grains and ₹ 3.03 lakh transportation cost. The SDEO, Dimapur in turn allocated ₹ 28.51 lakh cooking cost and 85 MT of foodgrainsto the Project Director, NCLP, Dimapur. Thus, there was short receipt of ₹ 1.32 lakh and 35 MT of food grain valued at ₹ 1.98 lakh by the implementing agency. This had adverse effect on the implementation of MDM in the NCLP schools in the district.

The Department did not offer any comments on the issue.

#### 1.4.11.14 Blockage of Central assistance funds

The scheme envisage assistance for provision and replacement of kitchen devices in a phased manner, at an average cost of ₹ 5000 per school. Financial Rules provide that purchase of stores shall be made in accordance with definite requirements and care shall be taken not to purchase stores much in advance of actual requirement.

The Department procured (January and November 2013) kitchen utensils valued ₹ 50 lakh for distribution among schools covered under MDM from two<sup>54</sup> firms. However, the same was not disbursed and the utensils were stored in the two official godowns of the DSE, Kohima as shown in the photographs below:

Photograph: 1.4.2



The position of stock and value as on the date of verification (August 2015) is shown in the following table:

Table-1.4.18

Sl. No.	Particulars	Quantity No.	Bill value ₹
1.	Cooking pots aluminum Big size	1000	22,40,000
2.	Plates steel standard size	25000	13,25,000
3.	Cups steel standard size	25000	8,50,000
<b>Total:</b>			<b>44,15,000</b>
Add VAT 13.25%:			<b>5,84,988</b>
<b>Grand Total:</b>			<b>49,99,988</b>

<sup>54</sup> M/s H. Thonger, Kohima and M/s Evergreen Trading Company, 3rd Mile, Dimapur

Thus, the Department locked up Central assistance funds of ₹ 50 lakh for 22 to 32 months due to non-distribution of kitchen utensils to the schools. This had adverse effect on implementation of the scheme as 72 schools reported insufficient cooking pots/plates during physical verification.

The Department stated (October 2015) that the delay in distribution of the materials was due to non-receipt of replacement list. However, the facts remain that the materials were procured without assessing the field requirements.

**1.4.11.15 Short-receipt of food grains by selected schools**

The scheme guidelines envisage that food grains as per norm should be released to the schools expeditiously for smooth implementation of the scheme so as to enable serving of good quality of cooked meal to the eligible children on all school working days.

Examination of records of 120 schools under eight selected SDEOs revealed that 83 schools, during 2010-15, received 463.56 MT of food grains against recorded disbursement of 1248.31 MT as per records of the SDEOs concerned. Thus, 784.75 MT of food grain was short received by the selected 83 schools as detailed in the following table:

**Table-1.4.19**

*Quantity in kilogram*

Sl. No.	Name of the SDEO	Number of schools	Total quantity distributed as per SDEO's record	Total quantity received as per records of the schools	Short receipt by schools
1.	Kohima	15	1,68,654	63,671	1,04,983
2.	Chiephobozou	7	59,814	22,400	37,414
3.	Dimapur	21	3,09,854	1,35,600	1,74,254
4.	Niuland	6	88,852	35,950	52,902
5.	Mon	20	4,65,379	81,414	3,83,965
6.	Aboi	8	1,06,563	92,278	14,285
7.	Shamator	6	49,201	32,250	16,951
<b>Total</b>		<b>83</b>	<b>12,48,317</b>	<b>4,63,563</b>	<b>7,84,754</b>

*Source: Departmental and school records*

Thus, food grains valued at ₹ 44.34 lakh was short received by the schools which adversely impacted in providing mid-day meal to the eligible school children. The shortfall in estimated coverage of MDM on account of non-disbursement of food grains among eligible school children would work out to 63 per cent. The possibility of pilferage of the food grains cannot be ruled out. The matter requires further investigation.

The Department stated October 2015 that the short receipt was due to poor maintenance of records by the school teachers who were not properly trained and frequent changes of MDM teacher-in-charge. Yet again an attempt to cover up the lapse as maintenance of records does not require any extraordinary skill and training.

**1.4.11.16 Short-receipt of cook-cum-helpers honorarium by selected schools**

The scheme guidelines envisage payment of honorarium @ ₹ 1000 per month for cook-cum-helpers engaged based on the number of children enrolment in the respective schools. The guidelines further envisages e-transfer of fund.

Examination of records revealed that 73 schools in six SDEOs (out of 8 selected) received less honorarium than shown as disbursed by the SDEOs. The honorarium was disbursed in cash by the SDEOs to the schools in contravention to the provisions in the guidelines.

Following are the details of disbursement of honorarium by the SDEOs and actually received by the selected schools:

**Table-1.4.20**

Amount in ₹

Sl. No.	Name of the SDEO	Number of schools	Amount disbursed as per records of SDEOs	Amount received as per records of selected schools	Short receipt by the schools
1.	Kohima	14	4,40,000	1,00,560	3,39,440
2.	Chiephobozou	6	2,81,000	88,000	1,93,000
3.	Niuland	7	4,41,951	1,74,000	2,67,951
4.	Mon	20	8,00,000	1,04,400	6,95,600
5.	Dimapur	19	9,75,156	2,34,000	7,41,156
6.	Shamator	7	3,58,000	1,08,000	2,50,000
<b>Total</b>		<b>73</b>	<b>32,96,107</b>	<b>8,08,960</b>	<b>24,87,147</b> Say ₹ 24.87 lakh

Source: Departmental and school records

Thus, short receipt of ₹ 24.87 lakh by the selected schools had adversely affected in implementation of the scheme as the cooks did not perform their duties on all school working days due to non/less receipt of honorarium, as reported by the schools authorities during joint physical verification. The short receipt would work out to 75.56 per cent of the total honorarium stated to have been disbursed by SDEOs.

The Department stated (October 2015) that the short receipt was due to poor maintenance of records by the school teachers who were not properly trained and frequent changes of MDM teacher-in-charge.

**1.4.12 Monitoring and evaluation****1.4.12.1 Establishment of Management Information System (MIS)**

As per Para 6.1 of the scheme guidelines, a sound and reliable system of accounting procedures and reporting as well as a computer-based Management Information System (MIS) for the scheme was to be established. In 2012-13, MHRD, GoI, started the MDM-MIS Web Portal to facilitate role based authenticated interfaces; capturing, collating and analysing the data online, track and monitor the project activities online, suitable timely interventions and interactions through quick decision support system; realistic need based planning from grass root level, accessibility of dynamic real time queries, reports and generation of alerts at various levels, 24 X 7 accessibility and

availability of MIS and information, dashboard view of various stakeholders at National, State, District, School and Panchayat levels.

The Department stated (August 2015) that all the SDEOs are regularly uploading necessary information in the MDM-MIS web portal. However, during physical verification of the selected SDEOs the following points were noticed:-

1. MIS cells were established in the offices, however, five out of eight SDEOs stated that due to poor network coverage in their establishments necessary information in the MDM, MIS web portal were uploaded either from the Directorate office or other place where internet connection was available. However, MIS-Web portal is password protected and could not be accessed by audit to verify the claims.
2. No working paper in the form of School Monthly Data Capture Format (MDCF)/Annual Data Capture Format (ADCF) was furnished to audit by respective schools though the Department has claimed that the necessary information was uploaded. Thus, it was not clear how the monthly data were uploaded when allocation of MDM component to schools were made on quarterly basis.
3. All the physically verified schools under SDEO Tuensang did not maintain any stock register of MDM components. As such, it was not clear how the data in the MDM-MIS web portal were uploaded by the SDEO.

#### ***1.4.12.2 Monitoring of the Programme***

The scheme guidelines envisage for formation of Steering-cum-Monitoring Committee (SMC) at the National, State, District and Block levels for monitoring & co-ordination and initiating remedial action on reports of independent functionaries. The State level SMC was to meet at least every six months and District/Block level SMCs were to meet at least once a month.

The Department stated (August 2015) that eight State level SMC meetings were held during 2010-11 to 2014-15. However, only two meeting minutes were furnished to audit.

The following important decisions were taken in the State level SMC meeting:

1. Co-ordination with the PHE Department and NHRM for supply of drinking water facilities and timely conduct of health check-ups at school level.
2. To take up necessary steps for timely release of funds to the Department.

However, follow up actions on the above decisions taken during State level SMC Meeting were pending (August 2015).

As per norm, district and block level meetings should be held once in every month. However, no record was furnished by the selected SDEOs to substantiate that any SMC meeting was held at district and block level during the period from 2010-15.

Reasons for not conducting regular SMC meetings at the District and Block level were not found in records. Thus, non-convening of mandatory SMC meeting defeated

the purpose of securing accountability at various levels of programme implementation.

The Department assured (October 2015) to take follow up action.

#### **1.4.12.3 Third party Monitoring/Evaluation**

The Ministry nominated Nagaland University for monitoring and evaluation of implementation of MDM in the State. The University regularly undertook monitoring and submitted its findings to the Ministry. Some of the major findings of the University are indicated below:

- MDM was not served on all the schools days;
- The schools were facing problem in relation to the availability of cooking cost in time. Also, problems were noticed in the delivery of food grains at the school level;
- The schools were facing problems of drinking water and kitchen facilities; and
- Supplementary micronutrients were not provided to the children as per norm.

It was, however, observed that no action/remedial measure were taken by the Department on the findings of the University.

The Department accepted (October 2015) the facts during exit conference.

#### **1.4.12.4 Monitoring of programme implementation and its impact**

Scheme Guidelines envisage that on an average at least 25 *per cent* of Primary/Upper Primary Schools and EGS/AIE centres should be visited every quarter and all Primary/Upper Primary Schools and EGS/AIE centres should be visited at least once a year. States were to evolve suitable formats for Questionnaire (Data Capture Form) to be filled by official during field visits. Findings should be documented and reported in SMC meetings at all levels. Suitable remedial/corrective measures should be initiated without delay. The Department entrusted the SDEOs to inspect the schools to assess the implementation of MDM.

Verification revealed that in 66 out of 120 test-checked schools (55 *per cent*) inspection team from the office of the SDEO did not visit the schools. The SDEOs neither submitted inspection reports nor Data Capture Form in respect of schools inspected by them to the higher authority.

The Department stated (October 2015) that the SDEOs/JEOs will be instructed to inspect the schools regularly.

#### **1.4.12.5 Establishment of Grievance Redressal Cell**

The scheme guidelines envisage that a grievance redressal mechanism was required to be established at the State and District levels to address and resolve complaints with regard to the implementation of the MDM.



It was noticed that the Department had not set up any Grievance Redressal Cell either at the State level or the District level. Thus, complaints, if any, from the general public particularly parents of students, NGOs, Students Organisation and other stakeholders during the period of implementation of the programme could not be ascertained.

The Department stated (October 2015) that action will be initiated for establishment of the cell.

#### **1.4.12.6 Submission of periodic Reports>Returns**

The scheme guidelines envisage that the State Nodal Department was required to furnish Progress Reports on the implementation of the scheme to the MHRD as per the time schedules indicated in the following table:

**Table-1.4.21**

<b>Sl. No.</b>	<b>Title of Return</b>	<b>Due date for receipt in the Ministry</b>
1	Monthly Report on off-take of foodgrain	15 <sup>th</sup> of the following month
2	Quarterly Claim towards Transportation Subsidy	15 <sup>th</sup> of the month following the Quarter
3	Quarterly Progress Report	Within one month from the end of the Quarter

However, it was noticed that the Department furnished QPRs/UC with delays ranging from 30 to 144 days during the period 2010-15 (**Appendix-1.4.3**).

The Department assured (October 2015) that the reports/returns will be submitted on time.

#### **1.4.13 Conclusion**

The success of any programme/scheme depends on effective implementation of scheme, efficient financial management and effective monitoring. There were inadequacies in all these three key aspects, as brought out in this Report. AWP&B was prepared without compiling the data from the reliable source which led to over projection of number of children. Implementation of scheme was not satisfactory and did not achieve its objective of providing nutritious cooked meals to eligible children aimed to improve their enrolment and retention in the schools. Reliable centralized data on retention/dropout rates of children of Primary/Upper Primary stages was not available. There were delays in transmission of funds through the hierarchical chain to implementing agencies and short release of State share. There were instances of short allocation and short delivery of food grains. Similarly, there was short receipt of food grains, cooking cost, transportation charges, etc. at various levels.

Nutritional status of the children was not assessed. Infrastructural facilities in the schools were inadequate. Monitoring system was deficient due to non-conducting mandatory SMC meetings at State/District/Block level.

#### 1.4.14 Recommendation

- ❖ The State Government should ensure preparation of Annual Work Plans & Budget with authenticated inputs and ensure strict compliance to all pre-requisites, especially reliable data on enrolment, attendance and coverage of schools/students.
- ❖ The existing procedure of release of funds should be designed to ensure timely transmission of funds to implementing agencies.
- ❖ State matching share of funds should be released component-wise to facilitate proper implementation of scheme.
- ❖ Wide publicity should be made by the Department to attract more children to Government Schools by creating awareness about the scheme among general public.

*It is further recommended that an independent investigation be conducted to find out the reasons for short receipt/discrepancies in receipt of cooking cost, transportation cost, food grains and honorarium for cook-cum-helpers across the State and take administrative action against those officials found guilty.*

### LABOUR AND EMPLOYMENT DEPARTMENT

#### 1.5 Performance Audit on Functioning of Industrial Training Institutes

Industrial Training Institutes (ITIs) impart skill oriented training with the objective to ensure a steady flow of skilled workers in different trades for the industry. The ITI's aim is to raise the quality of industrial production by systematic training of workers and to reduce unemployment among the educated youth by equipping them for suitable industrial employment.

#### Highlights:

- *ITIs were up-graded without preparing Institute Development Plans (IDPs) and conducting survey and new sectors were taken up without identifying the need of the trades.*

**Paragraphs 1.5.7.1 (i) & (ii)**

- *Schemes were implemented without action plans resulting in procurement of machineries and equipment for discontinued trades.*

**Paragraphs 1.5.7.2 & 1.5.7.3**

- *Seed money was deposited in excess of the maximum admissible limit.*

**Paragraph 1.5.8.2**

- *The ITIs trades could not be affiliated to the National Council of Vocational Training and the trainees remained unqualified for gainful employment in the Central Government and in other State Governments/Public Sector units.*

**Paragraphs 1.5.9.1, 1.5.9.2, 1.5.9.3 & 1.5.9.11**

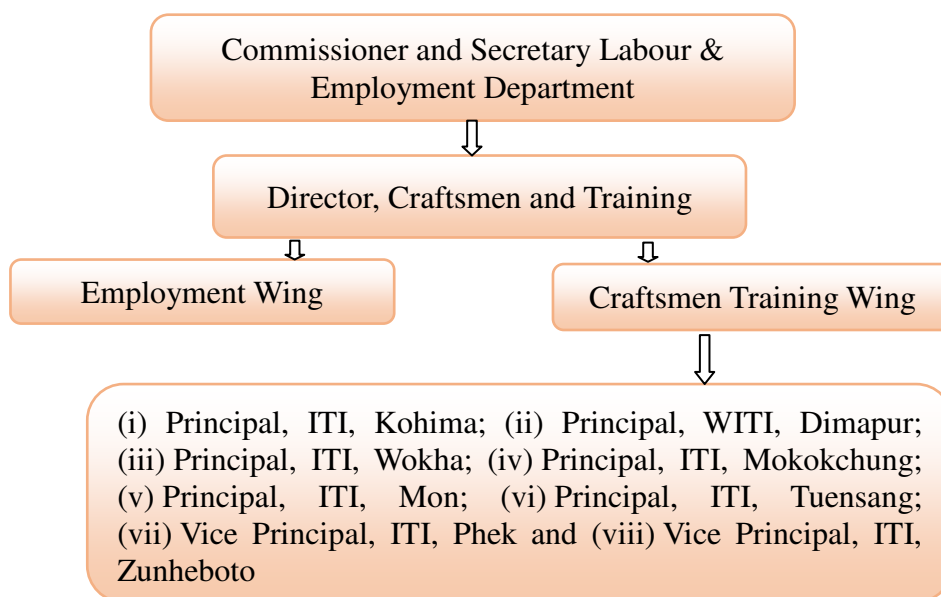
### **1.5.1 Introduction**

To promote the interests of individuals, enterprises, economy and society with the contribution of skill building and training, the Government of India (GoI) introduced (1950) a scheme called the Craftsmen Training Scheme (CTS). Under the scheme, 8 ITIs were established in Nagaland with the objective to ensure a steady flow of skilled workers to the industry to meet the manpower requirements in different trades; to raise the quality of industrial production by systematic training of workers and to reduce unemployment among the educated youth by equipping them for suitable gainful industrial employment and to create the opportunity of self-employment ventures.

### **1.5.2 Organisational structure**

The Directorate of Employment & Craftsman Training is functioning under the Administrative control of Labour & Employment Department. The Directorate functions under two wings: Employment wing and Training wing. Under the training wing, there are eight ITIs. Out of which, ITI Dimapur is exclusively for women.

**Chart 1.5.1**



The National Council of Vocational Training (NCVT), an advisory body set up by GoI prescribes standards, curricula, syllabi, equipment, scale of accommodation, duration of courses and method for craftsmen training. Trade tests are conducted on an all India basis by the NCVT and successful trainees are awarded the National Trade Certificates in the trades concerned under the seal and authority of NCVT. Besides, a State Council of Vocational Training (SCVT) affiliated to NCVT functions as a State agency to advise the State Government in carrying out the training policy laid down by NCVT and to administer the Vocational Training Programme throughout the State.

Under the GoI scheme “Upgradation of 1396 Government ITIs through Public Private Partnership”, Industry Partners are associated representative in Institute Management Committees (IMCs) as Chairperson to lead in the up-gradation process. ITIs at Dimapur, Mon, Tuensang, Wokha, Phek and Zunheboto were covered under the scheme.

### **1.5.3 Audit objectives**

The objectives of the performance audit were to assess whether:

- ▶ proper plans existed and were implemented to achieve the objectives of the ITIs,
- ▶ adequate financial support was provided by the Government for the effective functioning of ITIs and the funds were properly utilised,
- ▶ quality training is being imparted with adequate qualified human resources, infrastructure, efficient and effective information and communication systems and with post ITI follow-up measures, and
- ▶ an effective monitoring and evaluation mechanism was in place to ensure the adequate functioning of ITIs.

### **1.5.4 Audit scope and methodology**

The performance audit covered the period 2010-15. The records of the office of the Directorate of Employment & Craftsman Training and all the eight ITIs in the State were examined.

The performance audit comprised of an entry conference with the Commissioner and Secretary and other officers of the Labour and Employment Department on 22 April 2015, issue of requisitions/questionnaires, examination of records, issuance of audit observations, examination of responses to audit observations, beneficiary survey and joint physical verification. The draft report was sent to the Department for their reply. The findings were discussed with the representatives of the Department in an exit conference on 21 September 2015. Replies of the Department as well as the views expressed by the representatives of the Department/Government in the exit conference have been taken into consideration while finalising the report wherever necessary.

### **1.5.5 Audit criteria**

The following criteria were used to benchmark the audit findings:

- ▶ Management Manual for Industrial Training Institutes;
- ▶ GoI/State Government orders on imparting industrial training;
- ▶ Norms prescribed by the National Council of Vocational Training
- ▶ The Apprentices Act, 1961 and
- ▶ Scheme Guidelines

### **1.5.6 Acknowledgement**

We express our appreciation for the co-operation and assistance accorded to us by the Department at all levels during audit.

## **Audit findings**

### **1.5.7 Plans to achieve the objectives of the ITIs**

#### **1.5.7.1 Basic survey not conducted**

To ensure that training cater the needs of industry and to avoid any mismatch between the supply and demand for skilled manpower, efforts should be made to develop course curricula for all the occupation/trades which require a skilled work force. For this purpose, the State Government has to identify the occupations/trades that are crucial for the State and prepare Institute Development Plans (IDPs).

It was observed that the Department did not conduct surveys to identify the occupations/trades for which training programmes are required to be framed in the IDPs as discussed below:

##### **(i) Upgradation of ITIs:**

All ITIs that meet the eligibility criteria set out in the MoU for up-gradation under Public Private Partnership (PPP) are required to submit Institutional Development Plans. These are developed by the respective IMCs through consultation with stakeholders, including local business interests, faculty members, students and the community. Each IDP defines the long-term goals of the institution, the issues and challenges facing the institution and the strategies for dealing with them. Each IDP sets targets for institutional improvement, defines performance indicators, and details the financial requirement to meet the needs.

All seven ITIs selected for up-gradation under PPP in the State prepared IDPs. In all the IDPs, the action plans with the following objectives were included:

- To increase percentage of student enrolment and student pass out and to reduce the student drop-out rate.
- To improve the quality of the training by providing adequate infrastructure facilities, effective teaching/learning aids etc.
- To open career counselling and placement cells in coordination with various industries.

Examination of records revealed against the intake capacity of 6,240 only 3,377 (54 *per cent*) students were enrolled and out of which 929 dropped out (28 *per cent*). There were shortages of machinery, equipment and tools etc. It was also observed that some of the trades were discontinued due to non-enrolment of students as shown in the following table, which is indicative of the fact that much thought has not gone in while commencing the courses.

Table1.5.1

Name of the ITI	Name of the trades discontinued	Year of discontinuation	Reason for discontinuation
ITI, Wokha	Machinist	No training was conducted during the period covered by audit	Due to non-enrolment of trainees.
ITI, Kohima	Turner		No enrolment for the past five years
ITI, Kohima	IT & ESM		No enrolment for the past five years
ITI, Dimapur	Electronic Mechanics		Due to non-enrolment of trainees

Source: Departmental figures

The upgradation schemes could not be implemented as enunciated in the IDP indicating the department's failure to recognise the actual ground realities of the ITIs, the various challenges, the community's awareness, etc. while preparing of the IDPs.

**(ii) Introduction of trades without identifying the needs**

Trades in automobile and apparel sectors were introduced in ITI Kohima and Women ITI Dimapur respectively by upgrading the ITIs into Centres of Excellence through PPP.

For implementation of the schemes, the two ITIs received ₹ 5.87 crore and spent ₹ 5.31 crore till 2014-15. It was, however, observed that student enrolment for the trades was significantly low against the intake capacity as shown below:

Table1.5.2

₹ in lakh

Year	Name of ITI	Broad Based Basic Training			Advance Module		
		Seat capacity	Enrolment	Percentage	Seat capacity	Enrolment	Percentage
2010-11	Kohima	96	45	46.88	48	0	0
2011-12		96	34	35.42	48	22	45.83
2012-13		96	21	21.88	48	20	41.67
2013-14		96	32	33.33	48	6	12.50
<b>Total</b>		<b>384</b>	<b>132</b>	<b>34.38</b>	<b>192</b>	<b>48</b>	<b>25</b>
2010-11	Dimapur	96	33	34.38	48	0	0
2011-12		96	32	33.33	48	24	50
2012-13		96	31	32.29	48	0	0
2013-14		96	25	26.04	48	14	29.17
<b>Total</b>		<b>384</b>	<b>121</b>	<b>31.51</b>	<b>192</b>	<b>38</b>	<b>19.79</b>

Source: Departmental figures

Further, as per order of the NCVT, the operation of both the trades was discontinued from 30 November 2014 due to non-convergence with requirements under Craftsman Training Scheme, difference in duration and absence of specialised modules. Thus, implementation of the schemes failed as they were taken up without proper survey and analysis of their relevance and applicability.



**(iii) Course discontinued due to outdated and defunct machineries and equipment.**

Principal, ITI Wokha brought to the notice of the Director (07.07.2014) that all the machineries and equipments of the Machinist trade were obsolete and defunct and training under the trade had been stopped since 2012.

The Department in its reply (September 2015), stated that the machinist trade was converted to electrician trade. It is not clear whether machinist trade was stopped as the Department failed to replace the outdated and defunct machineries and equipment.

**1.5.7.2 Implementation of schemes without annual action plans**

An action plan should be prepared by taking into consideration the important issues like adequacy of infrastructure, manpower resources, raw materials, electricity supply, basic amenities, follow-up of passed out students, monitoring etc.

Examination of records revealed that the Department implemented the schemes without preparation of annual action plan which resulted in conduct of training courses without adequate machinery, equipment and tools, manpower resources, power supply, etc. It was also noticed that money was kept in fixed deposit in excess of requirement as discussed in **Paragraph 1.5.8.2**, which could have been utilised to address these shortages.

**1.5.7.3 Procurement of machinery and equipment for discontinued trades**

GoI released ₹ 70.84 lakh for implementation of Centre of Excellence (CoE) at Kohima during March 2013. However, the amount was released by the Directorate of Employment and Craftsmen Training only in March 2015 after the NCVT discontinued (November 2014) training courses in these trades.

Examination of records revealed that the Directorate placed supply orders (January 2014) for purchase of machineries and equipment for the trades on a firm based at Kolkata. The machineries and equipment were, however, supplied in April 2015 and installed in the workshop in April 2015 after discontinuation of the trade (November 2014). Since the machineries and equipments were only received after the decision to discontinue the trade was taken, the Department should have reviewed the supply order and taken necessary steps to cancel it. These funds could have been utilised to procure the items for the other existing trades.

The Department in its reply (September 2015) stated that the machines and equipments procured would be utilised for the reverted back trades viz., Mechanic Motor Vehicle (Petrol) and Diesel Mechanic that share more or less similar machineries and equipments with the broad based basic training trades of petrol and diesel modules of Automobile Sector.

**1.5.8: Financial Management****1.5.8.1 Release of funds and expenditure**

The management of funds released by the GoI and the State Government and expenditure incurred by the Department is detailed in the following table:

**Table1.5.3**

₹ in lakh

Year	Opening Balance	Funds released		Interest earned/ others	Total fund available	Expenditure	Closing Balance
		Central	State				
2010-11	363.06 <sup>55</sup>	346.99	662.45	5.21	1377.71	884.30	
2011-12		1073.55	934.08	22.13	2029.76	1103.64	
2012-13		13.05	1184.73	38.12	1235.90	1352.08	
2013-14		74.34	1101.14	77.48	1252.96	1419.46	
2014-15		0.00	827.70	94.71	922.41	1148.89	910.37
<b>Total</b>		<b>1507.93</b>	<b>4710.10</b>	<b>237.65</b>	<b>6818.74</b>	<b>5908.37</b>	<b>910.37</b>

Source: Departmental figures

Examination of records on funds management revealed the following:

**1.5.8.2 Deposit of seed money in excess of the maximum admissible limit**

According to the revised guidelines for Up-gradation of Government ITIs through PPP, a maximum of 20 per cent of the funds made available (₹ 250 lakh provided as interest free loan) under the Scheme may be kept as seed money by IMCs. It was, however, noticed that all the seven upgraded ITIs kept seed money in excess of the maximum admissible limit (₹ 50 lakh) as detailed below:

**Table1.5.4**

₹ in lakh

Sl No.	Name of ITI	Amount received	Maximum limit for seed money	Amount kept as seed money	Excess
1	Dimapur	250.00	50.00	55.50	5.50
2	Mon	250.00	50.00	100.00	50.00
3	Mokokchung	250.00	50.00	58.73	8.73
4	Tuensang	250.00	50.00	95.00	45.00
5	Wokha	250.00	50.00	160.25	110.25
6	Phek	250.00	50.00	212.89	162.89
7	Zunheboto	250.00	50.00	240.00	190.00
<b>Total</b>		<b>1750.00</b>	<b>350.00</b>	<b>922.37</b>	<b>572.37</b>

Source: Departmental figures

As all the ITIs were functioning with shortage of infrastructure, trained manpower, etc. the excess money should have been gainfully utilized instead of keeping funds in fixed deposit.

**1.5.8.3 Investment of funds in speculative instrument in violation of norms**

According to the scheme guidelines, the interest free loan in the first instance should be deposited in the public sector bank and funds should not be transferred out of public sector bank. While the objective is to get maximum returns on this deposit, the

<sup>55</sup> The opening balance of ₹ 363.06 lakh for the year 2010-11 was ₹ 352.89 lakh: the balance of out of interest free loans ₹ 500 lakh (₹ 250 lakh each of ITI Mokokchung and WITI Dimapur) and accrued interest of ₹ 10.17 lakh.

amount is not permitted to invest in speculative instruments such as shares, bonds, debentures etc. However, due to some unavoidable reasons if such a decision has to be taken, a proposal with full justification should be sent for approval of the National Steering Committee (NSC).

Examination of records revealed that IMC of ITI Mokokchung transferred funds from a public sector bank (United Bank of India, Dimapur) and invested in speculative instruments in Sahara India Ltd. and ICICI Pro without obtaining the approval of the NSC as detailed below:

**Table 1.5.5**

Sl No.	STDR/LTDR No.	Amount ₹	Date of investment	Rate of Interest % per annum	Period of investment	Private Banks
1	23842906761	8,00,000	01.12.2009	11.50	10 years	Sahara India Ltd.
2	23842906762	7,00,000	01.12.2009	11.50	10 years	Sahara India Ltd.
3	12829320	66,00,000	27.12.2010	8.00	3 years	ICICI Pro
4	12829320	99,00,000	15.02.2012	8.00	3 years	ICICI Pro
5	562002040899	23,16,050	27.11.2012	11.50	6 years	Sahara India Ltd.

Source: Departmental figures

Examination of audited statement of accounts for the year ended 31.03.2014 revealed that the amount of fixed deposit from ICICI Pro have been received back on maturity and the amount of fixed deposits in Sahara India was also received back (prematurely). However, the IMC failed to show the details of the money received back from ICICI Pro and Sahara India. The Department in reply (September 2015) stated that necessary instructions would be conveyed to IMC of ITI Mokokchung to immediately withdraw the investments made at Sahara India. This implies that the investment in Sahara India still exists.

#### **1.5.8.4 Parking of funds in Civil deposit**

GoI released an amount of ₹ 70.84 lakh (25.03.2013) to GoN for procurement of machinery and equipment for the trades of the CoE under Vocational Training Improvement Project (VTIP). GoN placed the fund in Civil Deposit (24.3.2014) and subsequently released the same to the Directorate of Employment and Craftsman Training in March 2015. Thus, the Department received the amount after two years from the date of release of fund by the GoI.

#### **1.5.8.5 Preparation of audited accounts by the IMCs**

As per guidelines, the IMCs of the ITIs are to prepare audited statement of accounts and the accounts are to be approved in the AGM within six months of closing of financial year.

It was however observed that only three<sup>56</sup> out of seven IMCs prepared audited statement of accounts. Though the three IMCs prepared their accounts those accounts were not approved in the AGM as stipulated in the guidelines.

### 1.5.9 Improvement in Infrastructure, human resources, post follow-up measures.

#### 1.5.9.1 Trends in admission, dropout and examination pass rates

Admission to the ITIs is made yearly on the basis of merit. The duration of engineering trades varies from one to two years, whereas the duration of non-engineering trades is one year. The minimum education qualification for admission to the ITIs is from 8<sup>th</sup> standard to Higher Secondary plus two depending upon the trades. Minimum age for admission to ITI is 14 years and there is no upper age limit. The intake capacity, admission and vacant seats in the ITIs during 2010-15 are given below.

**Table1.5.6**

Year	Seat capacity	Enrolled	Enrolment Percentage	Drop out	Percentage of dropout	Exam appeared	Exam passed	Pass Percentage
2010-11	1248	528	42	47	9	481	304	63
2011-12	1248	560	45	186	33	374	288	77
2012-13	1248	703	56	284	40	419	347	83
2013-14	1248	740	59	271	37	469	310	66
2014-15	1248	846	68	141	17	705	426	60

Source: Departmental figures

As could be seen from the table above, student enrolment in the eight ITIs presents a dismal picture. Against the total intake capacity of 1248 in a year, the number of students enrolled ranged from 528 to 846 (42 to 68 *per cent*) during 2010-15. Though there was an increasing trend in enrolment of students during the last five years the annual increase in enrolment was between 3 *per cent* and 11 *per cent*. The State Government did not conduct any study to ascertain the reasons for low percentage of enrolment in ITIs.

Further, neither the ITIs nor the Department maintained any record of number of students who dropped out and the reasons for it. Audit analysis taking the difference between the number of students who enrolled and appeared for the exams revealed that the number of drop out students was around 9 to 40 *per cent*. However, in 2010-11 and 2014-15, the number of students who failed in the exams of the previous years was also included in the number of students who appeared in the exams as they were allowed to re-appear in the exams in those years. But the Department could not provide the exact number of students who failed and were allowed to re-appear the exams.

<sup>56</sup> IMC Mokokchung, IMC Tuensang and IMC Phek.

The pass percentage of students showed a decreasing trend from 83 *per cent* to 77 *per cent* in 2011-12 and 2012-13 which further decreased to 66 *per cent* and 60 *per cent* in 2013-14 and 2014 15 respectively.

### **1.5.9.2 Trades and affiliation**

As per NCVT norms, an ITI seeking affiliation for starting a new trade has to ensure the availability of necessary infrastructure and instructors. No SCVT approved trades operated in the ITI was eligible for upgradation under the scheme 'Upgradation of Government ITIs under PPP'. The GoN received the fund for up-gradation of the ITIs by making an undertaking that the trades covered under the upgradation of the ITIs scheme will be affiliated to NCVT within two years of the release of loans under the scheme.

To get affiliation of trades under NCVT the following conditions are required:

1. Theory classrooms should have latest infrastructure including Audio Visual (AV) aids as per details given in respective curricula.
2. Workshop areas should be as per norms prescribed by NCVT for respective trades.
3. Tools & Equipment should be latest and state-of-the-art as per curricula for the respective trades.
4. Prescribed power supply load should be available.
5. Qualified instructors should be available.

Out of 21 trades in the eight ITIs in the State, 11 trades were not affiliated to NCVT. Sl. No. 1 to 3 above, are the main undertakings not fulfilled by the State Government for affiliation. The ITIs stated that due to shortage of necessary machineries & equipment and infrastructure in the ITIs as prescribed by the NCVT norms, the trades could not be affiliated with NCVT. Thus, the commitment made while availing the funds was not fulfilled by the State Government.

During 2010-15, 1328 trainees had completed the courses in unaffiliated trades. These trainees were given only provisional trade certificates by the SCVT and were not eligible for NCVT certificates. Non-issue of NCVT certificates to trainees who had completed their training would adversely affect their employability.

The Department in its reply (September 2015), stated that SCVT certificate are recognised by the State Government. Efforts were on to ensure affiliate the SCVT trades with NCVT. The reply has to be viewed in light of the fact that it has no recognition outside the State and the trainees who possess such certificates are handicapped to that extent.

### 1.5.9.3 Introduction of new trades

NCVT introduced 132 new trades<sup>57</sup> to meet the needs of the industry. The Department, however, introduced only 21 trades<sup>58</sup> in the State out of which only 11 trades were affiliated to NCVT. The Department did not conduct any survey to identify the necessary skill areas and trained manpower needed before introduction of new trades. Thus, non-assessment of the industrial needs before introduction of new trades deprived the benefit of employability of those who are undergoing training in these trades.

The Department replied (September 2015) that trades once introduced is very difficult to change because instructors are appointed for that particular trade and to retrain the instructors for a new trade is very difficult.

### 1.5.9.4 Infrastructure deficiencies

The NCVT prescribed specific norms for providing basic infrastructure such as classrooms and workshops. The space for conducting various trades in ITIs was to be provided as per NCVT norms.

Examination of records revealed lack of infrastructure in ITIs as discussed below:

#### (i) Classrooms and workshops not meeting the prescribed norms

It was noticed that the dimensions of most of the classrooms and workshops of the eight ITIs were not as per the standards prescribed by NCVT.

ITI Zunheboto was established (2005) in a two storey building comprising of 10 rooms with average size of 10 x 10 sq ft. During physical verification, it was seen that the classroom and the building showed poor workmanship exposing M.S. rods of the RCC beams and slabs.



The building was unfit for operating the Institute. The total area of the Institute was only 1078 sq ft including the compound with no scope for future expansion.

ITI Zunheboto has plumber, wiremen and electrician trades. For each trade 4 sq. m. per trainee is required. There are 14 trainees in the plumber trade and three in

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<sup>57</sup> 70 Engineering and 62 non-engineering trades.

<sup>58</sup> 14 Engineering and 7 non-engineering trades.



wiremen. Space requirement per trade is 56 sq m and 12 sq m respectively. Average area of each room in the ITI Zunheboto is 9 sq. m. Due to constraints in space, the courses were conducted in a cramped condition which would impact on the quality of training. Further, due to limited rooms in the building, the Institute conducted computer programming classes in a rented room, which is a temporary measure.

The Department in their reply (September 2015) accepted the fact that the space do not comply with the NCVT norms as the ITI Zunheboto was established under State Plan and stated that efforts were on to ensure that the shortcomings were addressed. The Institute should find out a long term solution.

#### **1.5.9.5 Insufficient tools and equipment in the ITIs**

The ITIs are required to maintain tools and equipment as per the standard lists of tools and equipment of the trades concerned, as prescribed by NCVT.

6 ITIs<sup>59</sup> prepared lists of deficiency of hand tools, machineries, tools and equipments as per NCVT norms for 12 trades. It was noticed that only 144 items out of 1588 items of tools, machineries and equipment were available as per norms (9 per cent). Audit could not compute actual shortage in respect of 6<sup>60</sup> (six) trades in the ITI Kohima and one (wiremen) in ITI Zunheboto, as the ITIs at Kohima and Zunheboto did not furnish lists of the material machineries, tools etc. However, audit findings in respect of machineries and equipment pertaining to ITI Kohima and ITI Zunheboto based physical verifications are given in the subsequent paragraphs.

The shortage of machineries and tools would hinder the conduct of practical classes and in acquiring of the necessary skills by the trainees for future industrial employment.

The Department replied (September 2015) that every measure was being taken to meet the shortages of tools and equipment in the ITIs. Every ITI was instructed to utilise the available fund under the scheme for procurement of deficient machineries and equipment.



**Photograph No.1.5.2 Carpentry workshop without equipment, ITI, Phek**

#### **(i) Repairs and renovation not executed**

Examination of records shows that the IMC of ITI Phek had incurred an expenditure of ₹ 62.00 lakh (₹ 37.00 lakh towards repairs and renovation of ITI complex and ₹ 25.00 lakh boundary fencing). It was, however, noticed during physical verification, that neither repair nor renovation of the building or construction of the boundary was carried out.

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<sup>59</sup> Dimapur, Mon, Mokokchung, Tuensang, Phek and Wokha.

<sup>60</sup> Machinist, Turner, Mechanic Radio and TV, Welder, Fitter and Surveyor.

The Department in its reply (September 2015), stated that the matter would be looked into and physical inspection would also be carried out to ascertain the matter.

**(ii) Machinery/equipment/tool items purchased by the IMCs not received**

Examination of the accounts in respect of three IMCs had shown a total expenditure of ₹ 256.61 lakh for procurement of machinery and equipment for their respective ITIs. However, cross verification by audit revealed that three ITIs did not receive materials worth ₹ 237.80 lakh as detailed below:

**Table1.5.7**

₹ in lakh

Sl.No.	ITI	Amount	Amount for which materials received	Amount for which materials not received
1	Mokokchung	133.31	18.81	114.50
2	Tuensang	103.30	0	103.30
3	Phek	20.00	0	20.00
<b>Total</b>		<b>256.61</b>	<b>18.81</b>	<b>237.80</b>

*Source: Departmental figures*

The amounts of expenditure on procurement of tools, machineries & equipment were taken from the quarterly progress reports and annual accounts of the ITIs prepared by the IMCs. Detailed records such as copies of supply order, bills, delivery challans etc. were not available with ITIs. The chairmen of the IMCs, in spite of requisition, could not furnish the documents to audit. The details of only ₹ 18.81 lakh out of total expenditure of ₹ 133.31 lakh was available with the ITI, Mokokchung. Hence, in the absence of supporting records in respect of actual procurement and receipt of the materials, genuineness of expenditure could not be authenticated in audit.

The Department in its reply (September 2015) stated that action, in this regard, had already been taken, but, detail of the action taken was not stated.

**(iii) Machinery and equipments not installed**

As per the provision of the guidelines, 100 *per cent* payment on procurement of machinery and equipment should be made only after installation and inspection of the materials.

Machineries and equipment worth ₹ 46.14 lakh were procured for ITI Zunheboto (March-April 2013) and ITI Mon<sup>61</sup> (during January 2013). However, during physical verification (June 2015), it was observed that the materials had not been installed and were lying idle though full payment had been released. Payment without installation was against the provisions of the guidelines and also deprived the trainees of the basic practical training due to non-availability of the machinery and equipment for operation.

<sup>61</sup> ITI Zunheboto - ₹ 37.65 lakh and ITI Mon - ₹ 8.49 lakh

The Department replied (September 2015) that necessary instructions would be given to the respective Principals to speed up the installation.

**(iv) Out-dated/defunct machineries.**

The ITIs are required to maintain tools and equipment of the latest technology as per syllabus of the trade concerned to give quality training to the youth.

Joint physical verification (June 2015) revealed that most of the machineries and equipments installed in the ITIs were obsolete and not functional. Some instances are given below:

- (a) There were 17 diesel motors and three petrol motors available for diesel mechanic trade at ITI Kohima, which were defunct and obsolete. During physical verification, three students of the trade were given practical class tests using the defunct equipment.

The Department replied (September 2015) that the obsolete and defunct motors were required for demonstration (disassembly and assembly) purpose. Over and above the obsolete and defunct motors, new motors have been installed for the diesel mechanic trade (May 2015).

- (b) In ITI Wokha training course under the Information Technology & Electronics System Maintenance (IT&ESM) was also managed with the outdated and defunct machineries and equipments..

The Department replied (September 2015) that effort was on to replace the obsolete machineries and equipment of IT&ESM trade.

- (c) An average of 20 students was enrolled for sewing and cutting trade at ITI Kohima during 2010-15. During interaction it was stated by the trainees that only foot treadle machines were used and that addition of motorised sewing machines would be appreciated to upgrade their industrial skills.
- (d) The Principal, ITI Wokha brought to the notice (07.07.2014) of the Director that all the machinery and equipment of the Machinist and IT & ESM trades were obsolete and defunct. Because of the obsolete machinery there was no enrolment for the trade and conduct of training under the Machinist trade had been stopped since 2012. However, the training course under the IT&ESM is being managed with the outdated and defunct machinery and equipment.

To improve the quality of training, upgradation schemes were implemented in all the ITIs. However, even after completion of five years from the commencement of the implementation of the scheme, there was hardly any improvement in the infrastructure. Imparting training with inadequate infrastructure facilities would be detrimental to the quality of industrial training imparted.

**(v) Idling of machineries due to defective DC regulated power supply.**

ITI Wokha purchased a Direct Current (DC) regulated power supply 0-230 Volt/15 Ampere to supply power to motors operated by direct current by way of converting the alternate current into direct current. However, the machine was found to be defective from the date of purchase (March 2013). As a result, the following machineries operated with direct current could not be put to use and remained idle since March 2013.

**Table1.5.8**

Sl. No.	Particularof machinery items	Number
1	Motor generator set consisting of DC shunt motor 5 HP	1
2	DC motor series 0.5 Hp& 2Hp	2
3	DC Compound motor 2HP & 3HP	2
4	DC Shunt Generator with panel	1
5	DC compound generator with panel	1
6	DC motor 1 HP with tacho generator	1

Source: Departmental figures

The Principal, ITI Wokha stated that necessary action is being taken to repair the defective machine to put the above machinery items to use.

**1.5.9.6 Excess release of funds for supply of raw materials and consumables**

According to the Director General Employment Training (DGET) Manual, a training grant of ₹ 400 for the engineering trades and ₹ 300 for the non-engineering trades per month per trainee is admissible to all institutes to cover the cost of raw materials, consumables, stationery etc.

As per the prescribed rate, an amount of ₹ 145.34 lakh was required for 3385<sup>62</sup> students during last five years. However, the State Government released ₹ 230.00 lakh for procurement of raw materials as detailed below:

**Table1.5.9**

Year	Non-engineering trade				Engineering trade				Total Amount ₹ in lakh	Fund received and spent ₹ in lakh
	No. enrolled.	Rate ₹	Period months	Amount ₹ in lakh	No. enrolled	Rate ₹	Period months	Amount. ₹ in lakh		
2010-11	222	300	12	8.00	306	400	12	14.69	22.69	50.00
2011-12	233	300	12	8.39	327	400	12	15.70	24.09	55.00
2012-13	311	300	12	11.20	392	400	12	18.82	30.02	65.00
2013-14	330	300	12	11.88	410	400	12	19.68	31.56	60.00
2014-15	302	300	12	10.87	544	400	12	26.11	36.98	0.00
<b>Total</b>	<b>1398</b>			<b>50.34</b>	<b>1979</b>			<b>95.00</b>	<b>145.34</b>	<b>230.00</b>

Source: Departmental figures

<sup>62</sup> 1435 in engineering trade and 1096 in non-engineering trades.

It can be seen from the above table, during 2010-15 against the admissible amount of ₹ 145.34 for raw material and consumable as per norms, the department released ₹ 230 lakh till 2013-14. No amount was released during 2014-15. Thus, there was excess release of ₹ 84.66 lakh even after meeting the requirement for the year 2014-15.

The Department stated (September 2015) that the ITIs are being faced shortage of raw materials required by the trainees on a daily basis. Due to non release of fund during 2014-15, all the ITIs had to procure raw materials out of the IMC fund. The reply is not relevant as it fails to provide reasons for release of funds in excess of prescribed amount work out based on the rates of training grants prescribed by DGET.

However, during verification (June 2015), none of the ITIs found facing scarcity of raw material for conducting the practical classes. The store house of the ITI Kohima was fully packed with raw materials, consumables, stationery, etc.



#### **1.5.9.7 Availability of basic amenities**

##### **(i) Water**

Joint verification of the selected ITIs revealed that except ITI Dimapur, none of the ITIs had proper drinking water facility. In four ITIs<sup>63</sup> it was observed that there were provisions for rain water harvesting during the monsoons, however, these institutes faced acute water scarcity during dry season. Three ITIs<sup>64</sup> did not have provisions for rain water harvesting or any other source of water.

In this regard, the department did not offer any comment.

##### **(ii) Library**

According to the DGET Manual, ₹ 5 per month per trainee should be released as library allowance for the purchase of books and trade-oriented magazines for the libraries in ITIs. As per the actual enrolment of trainees, the funds required for the library allowance during 2010-15 was ₹ 2.03 lakh. However, the Government released ₹ 5.83 lakh and the Department spent the entire amount on purchase of books for three ITIs as shown below:

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<sup>63</sup> (1) Kohima (2) Mon (3) Mokokchung (4) Wokha

<sup>64</sup> (1)Tuensang (2) Phek (3) Zunheboto

Table 1.5.10

Year	No. of enrolment	Rate (in ₹)	No. of months	Funds required (in ₹)	Funds released (in ₹)	Released to	
						ITI	Amount (in ₹)
2010-11	528	5	12	31,680	0		
2011-12	560	5	12	33,600	0		
2012-13	703	5	12	42,180	2,85,060	Kohima	85,009
						Wokha	2,00,051
2013-14	740	5	12	44,400	75,000	Kohima	75,000
2014-15	846	5	12	50,760	2,23,213	Mon	79,242
						Kohima	89,400
						Wokha	54,571
<b>Total</b>	<b>3377</b>			<b>2,02,620</b>	<b>5,83,273</b>		<b>5,83,273</b>

Source: Departmental figures

The other five ITIs neither purchased books nor had libraries thereby depriving the trainees of opportunities to update their knowledge.

No comment was offered by the department in this regard.

### (iii) Toilets

Though there are adequate numbers of toilets as compared to the student enrolment in all the ITIs, water scarcity was common in all the ITIs except ITI Dimapur to proper up keep and hygiene.

### 1.5.9.8 Availability of backup for power supply

Load shedding is very frequent in the State and reliable power backup facilities in the ITIs is a must for smooth conduct of practical classes.

The Director stated that all the ITIs were provided with one 15 KVA diesel generator set for power backup. Audit, however, noticed that there were no diesel generator sets in four ITIs<sup>65</sup>. In the case of ITI, Kohima out of the total of 18 trades, power supply backup was provided for only four trades<sup>66</sup> being conducted in the Directorate building.

The Department stated (September 2015) that power backup through diesel generator at ITI Kohima is for the relevant trades that cannot function without power supply. The other ITIs where power back up is not available, necessary provisions will be made to ensure that training is not hampered due to non-availability of power backup.

<sup>65</sup> WITI Dimapur (Siethekema complex), ITI Tuensang, ITI Phek and ITI Zunheboto.

<sup>66</sup> COPA, Mechanic Radio & TV, Hair and Skin Care and IT&ESM.



#### **1.5.9.9 Hostel facilities**

The DGET Manual stipulates that hostel facilities may be made available for 50 *per cent* of the trainees in each ITI to facilitate residential provisions for trainees who find it difficult to reach home after attending classes in the ITIs.

- (i) A hostel with 17 living rooms, a dining hall and a kitchen was constructed at Women ITI Dimapur (2005). However, the building was left unoccupied since its construction.



Though there was demand for hostel accommodation, it was un-occupied as the Department did not provide basic amenities such as table, chair, almirah, bed along with mattress, bed sheet blanket, utensils for storing water and preparation of food, etc., warden and cook to look after and to cater the hostel.

During beneficiary survey 13 out of 19 (all girl students) gave willingness to avail hostel accommodation. Against the annual 100 seat capacity for five trades in ITI Dimapur (Women) only 55, on an average, were enrolled during the last five years (2010-2015). Lack of hostel facility in the ITI is an impediment for attracting students.

- (ii) The Department constructed five<sup>67</sup> new hostel buildings during 2013-14. However, no student has so far been accommodated in those hostel buildings due to lack of basic amenities and furnishings. During beneficiary survey 155 students (68 *per cent*) out of 228 students interviewed expressed their willingness to avail hostel facilities.

Thus, the purpose for which the hostels were constructed was defeated. The students from distant villages, mostly from poor family backgrounds, have been deprived of these facilities.

The Department while accepting the fact stated (September 2015) that ITIs were located in district headquarters only. People from outskirts of the district could not afford to commute to district headquarter for the training. Hence, the non-availability

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<sup>67</sup> (1) ITI Kohima (2) ITI Mon (3) ITI Mokokchung (4) ITI Tuensang (5) ITI Wokha

of hostel facility in the ITIs was one of the factors for low enrolment of students in the ITIs.

#### 1.5.9.10 Human resources management.

##### (i) Shortage of Manpower

The sanctioned and availability of manpower in ITIs should be as per NCVT norms.

None of the ITIs had a Superintendent, Training Officer, Motor Driver<sup>68</sup> and Employability Skills Instructor. Five ITIs<sup>69</sup> did not have Engineering Drawing Instructors. Further, there was a shortage of three vocational instructors both in ITI Kohima (Automobile Sector) and ITI Dimapur (Apparel Sector). It was also observed that the District Employment Officer was acting as the Vice Principal in ITI Zunheboto since September 2012.

##### (ii) Human resource management.

During examination of records it was observed that four trades were not operational in three ITIs due to transfer of vocational instructors to other ITIs. The details are given below:

Table1.5.11

Sl. No.	Name of ITI	Name of the trade	Reason for non-conduct of Training
1	ITI Zunheboto	Dress making	Instructor attached to Apparel sector, WITI Dimapur
2	ITI Wokha	Cutting and Sewing	Instructor attached to Apparel sector, WITI Dimapur
3	ITI Phek	Cutting and Sewing	Instructor attached to Apparel sector, WITI Dimapur
4		Machinist	Instructor to ITI Mokokchung

Source: Departmental figures

This reflects poor human resource management thereby depriving the trainees of the opportunity to acquire the requisite skills in that trade.

##### (iii) Staff training at ITI

In addition to the instructors, as per the norms of the NCVT, the Department was required to impart training to the staff on the use of audio-visual aids, classroom management etc.

However, it was observed that the Department did not conducted any such training programmes during 2010-15.

#### 1.5.9.11 Employability of ITI trainees

The objective of establishment of ITIs was to impart industrial training to school drop-out youth so that they could acquire technical skills for gainful employment.

The eight ITIs in the State impart industrial training to the youth in 21 trades out of which only 11 are affiliated to NCVT. Certificates for non-affiliated trades are issued by the SCVT. During the last 5 years (2010-15), 347 NCVT certificates and

<sup>68</sup> ITIs having Motor Mechanic trade.

<sup>69</sup> Mokokchung, Tuensang, Wokha, Phek and ITI Zunheboto.

1328 SCVT certificates were issued. However, the Department did not maintain records on how many of them have got employment in the Government/PSUs and gainfully employed.

At the national level only the National Trade Certificate and National Apprenticeship Certificate issued by the NCVT are recognised for the purpose of recruitment to the posts and services under the Central/State Government and Public Sector Units. As such, the youths possessing SCVT certificates from the State are not eligible for recruitment to the posts and services under Central and establishments outside the State.

The Department, in its reply (September 2015) admitted that the SCVT trades are recognised only by the State Government. Efforts are on to affiliate the remaining SCVT trades to NCVT.

#### **1.5.9.12 Post ITI follow up measures**

##### **(i) Skill Development Initiative (SDI) Scheme**

To meet the demand for specific skills of a higher order, “Skill Development Initiative Scheme” is being implemented under PPP between the Government and Industry with the objective to provide vocational training to existing workers and ITI graduates to improve their employability in Government/Private institutions. A trainee who passed out from ITI is considered as semi skilled but a trainee who went through a training under the scheme “Skill Development Initiative (SDI)” will be considered as skilled worker. NCVT issued certificate under this scheme.

It was observed that under the scheme, 16,434 candidates have been trained against a total target of 18,260 set by the Department. But the Department did not maintain break up records of candidates i.e., school dropout, workers, ITI trained, etc. Out of 14,081 passed candidates, only 985 (7 percent) have been placed in jobs during 2010-15. The following were the reasons attributed by the Department for low placement of the trainees.

- i. There are only a few industrial units in the state to absorb the skilled workers;
- ii. The youth here, do not want to go outside the state to seek job;
- iii. The trainees cannot compete with the workers from outside the state who are available in plenty at low rate of wages; and
- iv. The Department does not have a placement cell to watch and keep reliable information on how many of successful trainees have been placed in job. As such, the information provided by the Department on placement of job may not be exhaustive.

In this matter, the Department needs to initiate action to find out the actual reasons and addresses the issue appropriately. Also the State Government may provide preference to ITI trained personnel in the jobs that require such skill, especially in the departments of Power, Transport, Public Works and State PSUs etc.

**(ii) Entrepreneurship Development programme**

Management Manual of ITI envisages that an Entrepreneurship Development programme should be included as a compulsory subject in the curricula of trainees of ITIs.

However, it was observed that none of the ITIs have included the programme as a subject in the curricula of the trainees of ITIs. Reason for non inclusion was not on record. The Department in its reply did not make any comment in this regard

**(iii) Apprenticeship training scheme**

The ITIs produce semi-skilled workers. In order to improve their skills and expose them to the industrial environment the trainees who successfully complete their training are sponsored to industrial establishments and are given apprenticeship training under the Apprentices Act, 1961. As per the provisions of the Apprentices Act, it is obligatory on the part of an employer to train a certain number of apprentices assigned by the State Apprenticeship Advisor, in designated trades.

The Apprenticeship scheme is being implemented in the State through industries based at Dimapur and Kohima. Annual surveys are conducted by the Directorate of Employment and Craftsmen Training to identify the industries based at Dimapur and Kohima. The Director stated that such surveys were not conducted in other parts of the State as there was no industry covered under the Apprentices Act. However, the Directorate did not have such a report indicating the total number of industries/factories in the State and how many of them are under the Apprentices Act.

During 2010-15, the Department identified 127 seats for apprenticeship training in Dimapur and Kohima in automobiles, welding, tailoring, carpentry and printing trades but only 74 ITI trained students registered under the Apprenticeship Act and availed the training. Thus, out of the total of 1675 ITI trained personnel only 74 (8 per cent) availed the training.

**(iv) Deprivation of stipend**

As per the Apprenticeship Act, stipend for the trainees was to be contributed by the Department and the industries at the ratio of 50:50. It is the responsibility of the implementing Department to ensure payment of stipend to the students in full.

Examination of records revealed that the students were given only 50 per cent stipend released by the Department as the industries had not been contributing their 50 per cent share of the stipend. The Director, while accepting the facts of existence of such norms for payment of stipend, stated that no such records are being maintained. This reflected lack of seriousness on the part of the Directorate.

The Department had accepted the fact and stated (September 2015) that follow up action with the industry will be taken to ensure that the students are not deprived of 50 per cent industry's share of stipend.

### **1.5.9.13 Placement cell and counselling cell**

#### **(i) Records on placement of job not maintained**

Out of 1675 ITI graduates, only 74 (4 per cent) skilled workmen could be produced during 2010-15 through apprenticeship training scheme. However, in respect of both the skilled workmen and ITI candidates (semi-skilled), the Department neither had information on placement nor the position of registration in the Employment Exchanges in the State.

#### **(ii) Non-opening of Placement Cell in the ITIs**

As per NCVT Manual, every ITI should set up a Placement Cell. The ITIs should maintain details of all graduated trainee, organise campus selections and function in close coordination with the industry to enable the candidates to seek gainful employment, provide counselling and guidance to the trainees and keeping track of the graduates till they are suitably employed for at least three years after graduation. There should be one hall, computers with internet facilities and a phone line, proper staff including one officer for functioning of the Placement Cell.

Examination of records however revealed that none of the eight ITIs opened a placement cell and maintained such record cards in respect of ex-trainees. Thus, ITIs failed to follow-up on the employment status of ex-trainees to ensure their employment.

#### **(iii) Non-development of National Web Portal**

NCVT recommended developing a National Web Portal which can keep the details of each and every trainee graduating from any ITI so that any industry requiring to recruit persons with certain skills may access this portal and select the best as per their requirement. Data base for the National Web Portal was to be developed at the ITI level and then networked with the National Portal so that the information is updated regularly.

It was observed that none of the ITIs had developed a data base for the National Web Portal as mentioned above.

### ***Objective 4: Monitoring and Evaluation mechanism.***

#### **1.5.10.1 Inspection of ITIs not carried out**

According to the DGET Manual, officers of the State Directorate of Employment and Craftsmen Training should inspect the ITIs in their charge as frequently as possible and give advice on training.

It was noticed that no such inspection was carried out by the Directorate staff during 2010-15.

#### **1.5.10.2 Review by the State Steering Committee (SSC) not done**

The Chairman of the IMC, as the representative of the Industry Partner, is expected to devote sufficient time to the process of upgradation of the ITI. SSC will review the

performance of each IMC every year by the end of December. The parameter to be applied for replacement of IMC was non-achievement of 70 *per cent* pass out vis-a-vis candidates appearing in the examination. Any Chairman of IMC would be considered for replacement after such a review in December.

Examination of records revealed that the SSC did not conduct any review of the performance of the IMCs to assess their achievements against the baseline targets set in the Key Performance Indicators (KPI) for functioning of the ITIs. It was also observed that none of the seven upgraded ITIs could achieve the targeted benchmark set in the KPI as shown in *Appendix 1.5.1*.

Since there was no supervision in the functioning of the IMCs there were many irregularities in the performance of the IMCs such as parking of funds in fixed deposit for years without spending for the development of the ITIs, expenditure shown to have been incurred on procurement of machineries and tools without the materials not being received by the ITIs, non-preparation of audited statements of accounts etc.

#### **1.5.10.3 Annual General Meeting**

The IMCs of the ITIs are required to conduct Annual General Meeting (AGM) within six months of the closing of financial year to approve the audited accounts of the society. Further, the report of the AGM must be filed with the Registrar of Societies within 3 months from the date of conduct of AGM.

Examination of records revealed that none of the ITIs maintained records regarding conduct of Annual General Meetings.

#### **1.5.10.4 Physical verification of stock**

Physical verification of tools and equipment in the ITIs was to be conducted by the Principals of the ITIs every year.

Our verification of stock registers revealed that no such physical verification was carried out at any of the eight ITIs by the Principals during 2010-15.

#### **1.5.11 Conclusion**

Planning process was inadequate which resulted in failure to identify the trades/occupations needed in the State and challenges faced by the ITIs. There was lack of adequate infrastructure facilities and qualified human resources. Due to non-affiliation of the trades to NCVT the students who passed out from ITIs with SCVT certificates remained ineligible for recruitment to other than the posts and services under Nagaland State Government establishments and Public Sector Units. There was no placement cell in the ITIs to carryout follow up action of the successfully trained students. Drinking water and hostel facility with basic amenities were not available in any of the ITIs. There was no monitoring and supervision on the functioning of IMCs.



### **1.5.12 Recommendations**

- *Comprehensive surveys to identify the trades needed in the State may be conducted to avoid a mismatch between the supply and demand for skilled manpower.*
- *Adequate infrastructure and manpower management should be provided in all ITIs to impart quality training to trainees and remove bottlenecks in affiliation to NCVT.*
- *Placement cell should be opened in each ITI for providing counseling and guidance to the trainees and to keep track of the graduates, till they are suitably employed.*
- *Coordination with the industries should be improved to facilitate campus interview for placement of ITI graduates.*
- *Inspection of ITIs should be conducted as envisaged in the Manual.*

## **Compliance Audit Paragraphs**

### **SOCIAL WELFARE DEPARTMENT**

#### **1.6 Overpayment to suppliers**

Director of Social Welfare extended an undue benefit of ₹ 1.25 crore to suppliers on procurement of ICDS materials by allowing VAT in addition to the tendered rate, though the tendered rate was inclusive of VAT.

Director of Social Welfare (DSW) invited (September 2012) tender for procurement of various materials under Integrated Child Development Scheme (ICDS) from registered suppliers during 2012-13. According to clause 2 of the Notice Inviting Tender (NIT), the rates offered by the bidders should be inclusive of all taxes. In response, four bidders offered their bids which were forwarded to the State Level Purchase Board (SLPB). The SLPB evaluated the bids (October 2012) and approved the rates quoted by the lowest bidder inclusive of VAT. While considering the bids, the SLPB decided to purchase two items out of 34 items from other bidders at the rate quoted by the lowest bidder considering the quality of samples produced by them.

Examination of records (July 2014) revealed that the Department procured (December 2012) ICDS materials valued at ₹ 10.66 crore from these four suppliers during the year 2011-12<sup>70</sup> and 2012-13<sup>71</sup>. On detail examination of the supply orders and the suppliers' bills audit observed that VAT was allowed over and above the approved rate inclusive of VAT. The details of the bills are shown in the following table.

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<sup>70</sup> ₹ 7.13 crore

<sup>71</sup> ₹ 3.53 crore

Table 1.6.1

Sl No	Name of the firm and address.	Value of the supply order	Additional NVAT allowed	Amount in ₹
				Bill Amount claimed/ admitted
1	M/s Muru Construction company, Dimapur	74,96,500	9,93,286	84,89,786
2	M/s Muru Construction company, Dimapur	88,30,248	11,69,752	1,00,00,000
3	M/s Neo Enterprise, Kohima	35,85,330	4,75,056	40,60,386
4	M/s Neo Enterprises, Kohima	46,62,300	6,17,700	52,80,000
5	M/s C K Enterprise, Kohima	5,19,19,475	68,79,353	5,87,98,828
6	M/s C K Enterprise, Kohima	1,41,28,079	18,71,921	1,60,00,000
7	M/s MM Construction, Kohima	35,31,942	4,68,058	40,00,000
<b>Total</b>		<b>9,41,53,847</b>	<b>1,24,75,126</b>	<b>10,66,29,000</b>

Thus, the Department incurred an excess expenditure of ₹ 1.25 crore by allowing additional VAT which was already included in the rate admitted to the suppliers over and above the base price.

On being pointed out (July 2014), the Director accepted (October 2014) the mistake of issuing supply order indicating that the rate was exclusive of local taxes contravening the NIT and stated that initiatives are being taken to recover the undue benefit extended to the suppliers. The Director further stated that in case of one supplier, the rate allowed was much lower than the tendered rate. However, the claim was not relevant as the supply order was issued at the approved rate (Lowest quoted rate) which was inclusive of taxes.

The matter was reported to the Government (July 2014), the reply had not been received (January 2016).

## DEPARTMENT OF SCHOOL EDUCATION

### 1.7 Fictitious drawal

An amount of ₹ 2.54 crore was fictitiously drawn by the Sub-Divisional Education Officer, Zunheboto on behalf of pseudo-anonymous employees during 2010-14.

According to Rule 34 of the Receipt and Payment Rules, a Bill register should be maintained by all the Head of Offices who are authorised to draw money on bills signed by them. To prevent presentation of fraudulent bills to the treasury, a Bill Transit Register is to be maintained by the DDO and cross checked with the Bill Register.

Examination of records (March 2014) of the Sub-Divisional Education Officer (SDEO), Zunheboto revealed that in addition to the regular monthly bills for Pay and Allowances, an amount of ₹ 2.54 crore (*Appendix 1.7.1*) was drawn in 23 bills for different categories of teaching staff as pay and allowances without routing the same through the Bill Registers maintained by the establishment during 2010-14. On cross

verification of the Bill Registers with Cash Book and Treasury Transit Register, it was noticed that those 23 bills were not recorded in any of the 28 Bill Registers though the bills were presented to the treasury through the Treasury Transit Register and was passed by the Treasury Officer for payment and subsequently accounted for in the Cash Book. However, the SDEO could not furnish records such as pay bills and acquittance roll relating to payment of ₹ 2.54 crore.

Thus, an amount of ₹ 2.54 crore was drawn on behalf of pseudo-anonymous employees during 2010-14 without any supporting pay bills and not routing the bills through any of the Bill Registers maintained by the office. This indicates that an amount of ₹ 2.54 crore was drawn fraudulently by the establishment which needs further investigation.

The matter was reported to the Department/Government in (June/December 2014 and July 2015); replies had not been received (January 2016).