

CHAPTER-II
GENERAL SECTOR

CHAPTER - II

GENERAL SECTOR

2.1 Introduction

This chapter of the Report for the year ended 31 March 2019 deals with the audit observations relating to the State Government Departments/Authorities/Units under General Sector.

The Departments and the total budget allocation *vis-a-vis* expenditure of the State is given below:

Table 2.1 showing Departments, Budget provision and Expenditure
(₹ in crore)

Sl. No.	Name of the Departments/ Authorities/ Units	Total Budget Provision	Expenditure
1	State Legislature	39.54	39.54
2	Head of State	9.27	9.06
3	Council of Ministers	12.88	12.60
4	Law & Justice	57.20	45.16
5	Election	96.29	96.15
6	Public Service Commission	6.90	6.29
7	District Administration	161.23	151.51
8	Treasuries and Accounts	45.65	45.36
9	Village Guards	34.96	34.44
10	Jails	54.84	52.94
11	Vigilance Commission	9.72	9.02
12	State Guest Houses	21.07	19.90
13	Rajya Sainik Board	3.73	3.17
14	Relief & Rehabilitation	1.21	1.21
15	Civil Secretariat	205.91	197.18
16	Police	1476.89	1466.93
17	Stationery & Printing	28.92	28.29
18	Administrative Training Institute	8.02	6.95
19	Statistics	39.08	36.65
20	Legal Metrology and Consumer Protection	14.75	11.49
21	Civil Administrative Works Department (CAWD)	24.46	23.38
22	Public Works (Housing)	183.63	182.58
23	Home Guards	39.45	38.34
24	Police Engineering Project	316.02	315.89
25	Fire and Emergency Services	39.01	37.94
26	Parliamentary Affairs	2.04	2.04
27	Mechanical Engineering	49.26	48.64
28	State Information Commission	2.25	2.00
Total		2984.18	2924.65

(Source: Appropriation Accounts)

During the year, expenditure involving ₹ 6665.05 crore (including expenditure pertaining to previous years audited during the year) of the State Government under

General Sector was test checked. This chapter contains the audit observations in respect of Performance Audit on Development of Infrastructure Facilities for Judiciary and e-Courts Project and Compliance Audit on Disaster Management in the State and two compliance audit paragraphs.

Performance Audit

DEPARTMENT OF JUSTICE AND LAW

2.2 Performance Audit on Development of Infrastructure Facilities for the Judiciary and e Courts Project

Primary responsibility for infrastructure development for subordinate judiciary rests with the State Government. The Central Government augments the resources of the State Governments by releasing financial assistance under the Centrally Sponsored Scheme (CSS) for Development of Infrastructure Facilities for Judiciary covering the districts and subordinate Courts with a view to facilitate better justice delivery. The e-Courts Project was conceptualised on the basis of the National Policy and Action Plan for Implementation of Information and Communications Technology (ICT) in the Indian Judiciary-2005 submitted by the e Committee, Supreme Court of India with a vision to transform the Indian Judiciary by ICT enablement of Courts. It was implemented as a mission mode project in 2007 for District Courts across the country, with Phase I concluding in March 2015 and Phase II was sanctioned by GoI in August 2015 which envisages additional hardware for Courts.

We conducted a Performance Audit on Development of Infrastructure Facilities for the Judiciary and e Courts Project for the period from 2014 to 2019.

2.2.1 Introduction

The Department of Justice (DoJ), Government of India (GoI) has been implementing the Centrally Sponsored Scheme (CSS) for ‘Development of Infrastructure Facilities for the Judiciary’ since 1993-94 to augment the resources of the State Government for construction of Court buildings and residential accommodation for Judicial Officers/Judges of District and subordinate Courts with a view to facilitate better justice delivery. The scheme does not cover construction of High Court Buildings. The scheme allows construction of new buildings and up-gradation or renovation of the existing buildings but does not allow routine maintenance or upkeep. The funding pattern of the scheme for the North Eastern States, including Nagaland is 90:10 between the Centre and the State.

2.2.2 Organisational set up

At the State level, Department of Justice and Law is the Nodal Agency for implementation of the scheme in Nagaland. The construction of judicial infrastructure is being executed in coordination with the Executive Engineer (EE), Civil Administrative Works Department (CAWD) and EE, Public Works Department

(Housing), Central Division in the State. The organizational structure for implementation of the scheme is shown below:

Chart-2.2.1



2.2.3 Audit Scope and Methodology

Audit examined records of the Department of Justice and Law for the period covering 2014-15 to 2018-19 in respect of “**Development of Infrastructural Facilities for Judiciary**” and records of the Registrar, Gauhati High Court Kohima Bench (GHCKB) for the period covering from 2015-16 to 2018-19 in respect of “**e-Court Mission Mode Project**”. The Department had also received some funds from the Ministry of Development of North Eastern Region (DoNER), GoI under Non-Lapsable Central Pool of Resources (NLCPR), for providing housing units for judicial officers. Records relating to these funds were also reviewed during this PA.

The audit was conducted from July 2019 to October 2019. The records of the EE, CAWD, entrusted to execute the infrastructure development projects, were also examined.

2.2.4 Audit objectives

The objectives of the Performance audit were to ascertain whether:

- The development of infrastructure facilities for the Judiciary and e-Courts Mission Mode Project were as per Scheme guidelines, plans and specifications;
- The execution of project works was economical, efficient and timely;
- There was an improvement in the physical infrastructure of the Subordinate courts and housing needs for Judicial officers of District and Subordinate Courts in the State and that created assets were utilised;

- Improved Amenities as per e Court Scheme objectives were made available to the judicial staff, litigants and lawyer community; and
- Monitoring of the schemes was effective.

2.2.5 Audit Criteria

The Audit findings have been bench marked against the following criteria:

- The guidelines for Centrally Sponsored Scheme for Development of Infrastructure Facilities for the Judiciary.
- Policy and Action Plan Document Phase II of the e-Courts Project.
- General Financial Rules 2005 and 2017.
- Central Treasury Rules/ State Financial Rules.
- CPWD Works Manual.
- Standard Schedule of Rates (SOR) of the States.
- Orders and instructions of the Central and the State Governments.

2.2.6 Audit Methodology

The Performance Audit commenced with entry meeting (9 July 2019) wherein audit objectives and criteria of audit was discussed. This was followed by issue of requisition for records, issue of questionnaires, examination of records and verification of projects on infrastructure and e-Court. Six district courts (Kohima, Dimapur, Mon, Longleng, Tuensang and Zunheboto) out of 11 districts in the State were selected for detailed examination through Probability Proportionate to Size without Replacement (PPSWOR) method. Audit also conducted joint verification of 35 (63 *per cent*) out of 56 projects in six sampled districts.

An exit meeting was held on 18 August 2020 to discuss the audit observations and the recommendations. The written replies received from the Department and views expressed by the Department/Government have been incorporated in the report, as appropriate.

2.2.7 Acknowledgement

The Office of the Principal Accountant General (Audit), Nagaland acknowledges the assistance and cooperation extended by the officers of the Department of Justice and Law, Registrar, GHCKB and EE, CAWD during the course of this audit.

2.2.8 Audit findings on Development of Infrastructure Facilities for the Judiciary

2.2.8.1 Planning for the Scheme

2.2.8.1.1 Quality of Annual Action Plans

The guidelines for CSS (May 1999, revised in April 2017) envisaged new construction and upgradation or renovation of existing Court buildings and residential

accommodation for Judges/Judicial Officers (JOs) of District and Subordinate Courts. However, routine maintenance or upkeep of the Court buildings and residential Housing Units were not permitted. The guidelines strictly banned construction of residential housing units for Court staff.

As per paragraph 7 of the revised guidelines, the States were required to submit proposals in the prescribed proforma each year to the Ministry of Justice and Law (MoJ) for seeking financial assistance for new and ongoing projects in the form of Annual Action Plan (AAP). AAPs should be framed based on the Technical Estimate of the project, estimated cost, availability of land free from encumbrance *etc.* It was reiterated that the number of Court Rooms and Housing units were to be planned based on the sanctioned strength of JOs in the State and also by analysing the availability of courtrooms and housing units in the State.

Status of Court Rooms and Housing Units available in 11 districts of the State as on March 2014 and 2019 is given below:

Table 2.2 showing status of Court Rooms and Judicial Housing Units

Sl. No.	Name of District	Sanctioned Strength of Judges	No of Court Rooms		No. of Housing units for JOs	
			As on 31/03/2014	As on 31/03/2019	As on 31/03/2014	As on 31/03/2019
1	Kohima	7	4	5	4	6
2	Dimapur	6	11	11	7	7
3	Mokokchung	3	3	3	2	4
4	Wokha	3	2	2	2	2
5	Tuensang	2	2	2	2	2
6.	Mon	3	2	2	2	2
7.	Phek	2	2	4	2	2
8.	Zunheboto	2	2	2	2	5
9.	Longleng	2	2	2	2	4
10.	Peren	1	2	3	2	2
11	Kiphire	2	2	2	2	2
	Total	33	34	38	29	38

(Source: Departmental Records)

It is seen from the above table that against the requirement of 33 court halls and housing units, 38 court halls and housing units were constructed/ongoing. This included projects taken up prior to 2014-15 and completed during the audit period. The availability of court halls and housing units was asymmetrical in the districts. While excess court halls were constructed/ongoing in Dimapur (5), Phek (2) and Peren (2) there were less number of court halls in Kohima (2), Wokha (1) and Mon (1). Similarly, housing units were excess in Dimapur (1), Mokokchung (1), Zunheboto (3), Longleng (2) and Peren (1) while less in Kohima (1), Wokha (1) and Mon (1).

The State Government sent specific proposals for construction and renovation of projects in their AAPs, against which GoI sanctioned lumpsum grants in respective years without specifying the project wise releases included in the AAPs. It was observed during audit that proposals worth ₹ 5.35 crore for construction of

customary/tribal courts in two cases in the State were included in the AAPs, though these Courts are not explicitly covered in the Scheme guidelines. The GoI sanctions also did not expressly mention the approval under the CSS, for construction/upgradation of these customary/tribal courts.

Examination of Annual Action Plans (AAPs) sent to GoI revealed that two inadmissible projects pertaining to construction of Sub Divisional Court complex & Residential quarters for JOs at three places (Noklak, Tuli and Pfutsero), where there were no sanctioned sub-divisional courts at these places were included in the AAPs at an estimated cost of ₹ 9.00 crore (**Appendix 1.1**). Further, 22 projects at an estimated cost of ₹ 64.39 crore (including both court halls and housing units) were included in the AAPs although these infrastructures were already existing (**Appendix 1.1**). Though GoI did not sanction all these projects, they should not have been included in the proposals of the State Government.

Out of 59 Works/Projects included in the AAPs for ₹ 173 crore, 28 works amounting to ₹ 97.61 crore were not supported with Technical Estimates as detailed below:

Table 2.3 showing details of DPRs framed

(₹ in crore)

Year	Number of works proposed in the AAP	Estimated cost against the proposal in the AAP	Number of DPRs technically approved and submitted by CAWD	Cost against the technically approved DPRs	Number of DPRs not technically approved though included in AAPs	Estimated cost without DPR
2014-15	22	68.35	16	53.00	6	15.35
2015-16	23	57.11	12	17.28	11	39.83
2016-17	0	0	0	0	0	0
2017-18	6	16.80	0	0	6	16.80
2018-19	8	30.76	3	5.13	5	25.63
Total	59	173.02	31	75.41	28	97.61

(Source: Departmental Records)

Deficiencies in AAP affected release of central grants, execution of non-permissible works and led to delays in completion of projects, as brought out in succeeding paragraphs.

The Department during the course of audit stated (July 2019) that due to inadequate fund flow, prioritization could not be done. Instead, the works were taken up according to the fund allocations made available to the Department. However, the fact remains that Annual Action Plans for development of infrastructure submitted to the Ministry remained adhoc and projects were neither prioritized nor based on actual requirements.

2.2.9 Funding for development of infrastructure facilities for Judiciary

Funds are released under the Scheme on need based criteria which *inter alia*, includes requirement of fund projected in the Annual Action Plan (AAP) for construction of court buildings and residential accommodation of judicial officers of District and

Subordinate Courts, submission of Utilization Certificate of previous grants released to the State along with State share and overall availability of funds under the Scheme as per budgetary allocation.

During 2014-19, the Department received ₹ 63.37 crore as Central share, against the proposal of ₹ 173.02 crore of the State Government. The State Government also released their matching share of ₹ 6.68 crore, whereas they did not release their share of ₹ 36 lakh for 2018-19 (August 2020). As against total funds available under the CSS of ₹ 70.05 crore, the actual expenditure incurred on programme implementation was ₹ 61.40 crore (88 per cent), while the remaining amount (₹ 8.65 crore) was deducted towards VAT and other departmental charges. The details of funds released by GoI and the State Government and expenditure incurred is given below:

Table 2.4 showing details of grants received under the CSS

(₹ in crore)

Year	Proposal in the AAP	Grants received			Expenditure			
		Central Share	State Share	Total	Departmental charges	VAT	Programme implementation	Total
2014-15	68.35	20.16	2.24	22.40	2.30	0.95	19.15	22.40
2015-16	57.11	0	0	0	0	0	0	0
2016-17	0	20.00	2.22	22.22	2.56	0.98	18.68	22.22
2017-18	16.80	20.00	2.22	22.22	0	1.00	21.22	22.22
2018-19	30.76	3.21	0	3.21	0.62	0.24	2.35	3.21
Total	173.02	63.37	6.68	70.05	5.48	3.17	61.40	70.05

(Source: Departmental Records)

From the above table, it can be seen that grants received were not as per the proposals in the Annual Action Plan. During the year 2015-16, no Central share was received. Department of Justice and Law stated (August 2019) that the Ministry did not release funds against the aforementioned financial year though the AAP against 2015-16 was submitted without any delay and no utilisation certificates were pending. Department was of the view that the regulation of CSS grant is under the jurisdiction of the Ministry and thereby reasons of non-release of grant was not known to the Department.

The reply of the Department is not convincing as the Government of Nagaland delayed release of the State share for the years 2014-15 and 2017-18 by 10 to 14 months and did not release its share for 2018-19, which had a bearing on the quantum of GoI funds received (Paragraph 2.2.9.2).

2.2.9.1 Irregular deduction of VAT and Departmental charges

As per Section 92(3) of Nagaland VAT Act 2005 read with Section 48 of Nagaland VAT Act 2005, any person responsible for paying any sum to any dealer for execution of a Works contract referred to in Section 8 wholly or partly in pursuance of a contract shall, at the time of payment of such sum in cash or by issue of a cheque or draft or any other mode of payment, deduct tax at applicable rate of such sum being paid in respect of such Works contract.

Examination of records revealed that the Finance Department deducted ₹ 3.17 crore as VAT [₹ 2.77 crore (87.38 per cent) was deducted from CSS grants] at the time of drawal of funds, the VAT deduction ranging from 4.24 per cent to 7.5 per cent on the total grants, instead of deducting the same from the contractor's bills. The deduction was irregular and also diluted the quantum of funds available to the State for programme implementation under the Scheme. It was also observed that irregular deduction of VAT of ₹ 45 lakh was made from funds available under NLCPR for construction of housing units for judicial officers.

The Department in reply (June 2020) stated that VAT deductions were made as per the directives of Finance Department at prevailing rates notified by Government and the matter regarding deduction of VAT at source instead of deducting from the contractor's bills will be reviewed with the Finance Department.

Aforementioned issue was reported (October 2020) to Finance Department, GoN to ascertain the deduction of VAT at source. In reply, Finance Department stated (November 2020) that matter will be examined as and when Department of Justice and Law would forward the case for review.

Similarly, it is also observed that irregular deduction of departmental charges amounting to ₹ 5.48 crore was made at source [₹ 4.71 crore (86 per cent) was deducted from the CSS grants].

It would not be out of place to mention here that despite this irregular deduction being pointed out previously by the C&AG, the same irregularity continued. Irregular deduction of ₹ 7.83 crore at source towards departmental charges from the funds allocated out of NEC/NLCPR funded projects had been highlighted in C&AG Audit Report-Government of Nagaland, ending March 2013 vide Paragraph 2.6.10.3.

2.2.9.2 Delay/ non-release of State matching share

The details of release of grants by the Ministry of Law and Justice (GoI) under Centrally Sponsored Scheme during the period 2014-15 to 2018-19 and the release of matching share by the Government of Nagaland is given in table below:

Table 2.5 showing delay in release of State matching share

(₹ in crore)

Year of release	CSS grant released by GoI	Month of release of CSS grant by GoI	Matching share released by GoN	Month of Release of Matching share by GoN	Delay in release of matching share (in months)
2014-15	20.16	February 2015	2.24	February 2016	12
2016-17	20.00	May 2016	2.22	March 2017	10
2017-18	20.00	October 2017	2.22	December 2018	14
2018-19	3.21	October 2018	-	-	-
Total	63.37		6.68		

From above it can be seen that Government of Nagaland delayed release of the State share in the years 2014-15, 2016-17 and 2017-18 by 10 to 14 months. The State share of 2016-17 was released in March 2017. It is also observed that State share was not

released during 2018-19. Delay and non-release of grants affected the timely completion of projects.

2.2.9.3 Short release and diversion of funds by the Department

The Department released ₹ 61.40 crore to two implementing agencies (EE, CAWD and EE, PWD (Housing), Central Division to execute various works during 2014-15 and 2018-19. However, on examination of receipt and payment accounts of EE, CAWD and EE, PWD (Housing), Central Division, it was observed that these two Divisions received ₹ 38.70 crore only [₹ 37.61 crore by EE, CAWD and ₹ 1.09 crore by EE (Housing) Central Division] from the Department of Justice and Law against the total reported release of ₹ 61.40 crore. Two EEs affirmed non-receipt of the balance funds.

The Department in reply (June 2020) stated that an amount of ₹ 9.75 crore¹ was available in the bank account maintained with the State Bank of India, Kohima. The Department further stated that the remaining ₹ 16.79 crore² was incurred for the following purpose:

Table 2.6 showing details of expenditure

Sl. No.	Purpose	Amount (₹ in crore)
1	Procurement of Land and Building at Kiphire	5.40
2	Procurement of Land and Building at Kohima	6.40
3	Construction of retaining wall at Quarter No. 6, 7 and 8 at Kohima	0.22
4	Advance payment to Contractor (Sh. Tzukjem Jamir) for construction of Residential Complex at Purana Bazar, Dimapur	0.57
5	Payment to EE, CAWD	4.20
	Total	16.79

Further, it was observed that an amount of ₹ 1 crore was shown to have been spent on construction of Court Complex at Mon, out of which ₹ 50 lakh was diverted from CSS funds to purchase land from a private individual³ for the purpose contrary to Scheme guidelines. We could not verify the execution of work for the remaining amount of ₹ 50 lakh, reportedly spent on construction of the court building at the site. The site was abandoned and handed over to District Administration for the purpose of Customary Court. The construction of court complex remains incomplete as of October 2020, even after incurring a total expenditure of ₹ 1 crore.

In reply (June 2020), the Department admitted the facts and stated that due to land dispute, site was handed over to district administration for functioning of customary court.

The reply of the Department is not acceptable as the CSS funds failed to serve the intended purpose and ₹ 0.50 crore incurred towards purchase of land violate the scheme guidelines.

¹ ₹ 3.84 crore- NLCPR programme and ₹ 5.91 crore-CSS programme

² ₹ 22.70 crore minus ₹ 5.91 crore

³ Sh. Noke, Ex MLA

2.2.9.4 Furnishing of incorrect Utilisation Certificate

It is a mandatory condition for release of the Grants to States that Utilisation Certificate (UC) of the previous grants released to the State under the Scheme along with State share should be submitted to the Ministry in the prescribed format. Department stated (August 2019) that the Utilisation certificates of the Grants released (₹ 70.05 crore) to the State under the Scheme were submitted to the Ministry.

However, it is evident from the paragraph above that though ₹ 5.91 crore remained as un-utilised in bank account, the Department reported utilisation without actually using the CSS funds for judicial infrastructure development in the State.

2.2.10 Project execution

2.2.10.1 Deficiencies in Detailed Project Reports (DPRs)

The High Court, Gauhati defined (2011) the standard specification for Judicial Court buildings and residential quarters of Judicial Officers under its jurisdiction. The State Level Committee modified (July 2011) the standard specifications by categorizing the District Courts in Nagaland into three Categories according to the pendency of Court Cases. The State Level Committee also decided to exclude seven rooms⁴ and also to curtail the size of rooms from the standard specifications of High Court in view of existing land ownership provisions in Nagaland. The Committee also defined the plinth area⁵ of residential Housing Unit ranging from 1244 sq. ft. to 2108 sq. ft. according to the grade of Judicial Officers. The Committee advised to avoid high rise buildings as Nagaland is classified in Seismic Zone V. The modifications proposed by the Committee was approved (November 2011) by the Gauhati High Court.

Further, as per State Level Programme Implementing Committee (SLPIC) decision taken in its 12th Meeting (16 November 2009), projects costing ₹ 5 crore and above had to obtain prior approval from the SLPIC.

It was seen that an expenditure of ₹ 1.85 crore was reported (August 2012) for construction of Court complex at Tuensang which was washed away due to landslide after completion of 60 *per cent* of the works. The EE, CAWD (March 2017) framed a new DPR for construction of a building of six floors at an estimated cost of ₹ 6.44 crore, without conducting any feasibility survey and soil testing prior to preparation of the DPR which was for a high rise building in a seismic zone. Further, the specifications of Court rooms approved by High Level Committee were also not adhered to.

In reply (June 2020), the Department accepted that the District Court Complex, Youngbhang Sector, Tuensang located at four kilometres away from the District Headquarter had to be abandoned due to natural calamities (land slide) after incurring an expenditure of ₹ 1.85 crore. The Department further stated that the DPR was prepared depending on the availability of land adjacent to the Deputy Commissioner's

⁴ Probation officer's room, *Seristadar's* room, Court manager's room, Protocol Officer's room, Conference room, Conference room and Pantry attached to the room

⁵ Grade I (2108 sq. ft.), Grade II (1716 sq. ft.) and Grade III (1244 sq. ft.)

office. Therefore, due to lack of space, the number of floors was increased to six floors in order to adhere to the approved number of rooms and specifications.

The reply is silent on non-conduct of soil testing and non-adherence to decisions of High Level Committee on high rise buildings.

For construction of Court complex at Zunheboto, the DPR for ₹ 4.13 crore was framed (June 2012) to construct Ground Floor and First Floor, which was further revised in (March 2017) to ₹ 8.16 crore for a building of four floors (G+3). The Department apparently split the proposals (i.e., the earlier DPR of ₹ 4.13 crore for construction of two floors and DPR of March 2017 valued at ₹ 4.03 crore for second and third floor), to avoid taking the project to the SLPIC for approvals. Besides, the DPRs did not take into account the work of ₹ 80 lakh reported to have been executed and measured earlier.

The Department, in reply (June 2020), was silent on the matter regarding expenditure of ₹ 80 lakh incurred on works executed upto August 2012 and on splitting of proposals.

2.2.10.2 DPRs for construction of housing units

The minimum plinth area of the housing unit for each JO in Grade III and Grade I should be 1244 sq. ft. and 2108 sq. ft. respectively as per approved specification. However, DPR of a G+1 building having a plinth area of 560 sq. ft. for construction of housing units was framed to accommodate four JOs at Zunheboto. Similarly, against the approved specification of 1244 sq. ft., two storied building with plinth area of 1644 sq. ft. (822 sq. ft. each) to accommodate two JOs at Mon was framed. Thus, the Department did not adhere to standard specification approved by the Hon'ble High Court, Gauhati in planning the housing complex for Judicial Officers.

The Department in reply (June 2020) stated that the DPR was prepared before the approval of new standard specifications by Gauhati High Court. The reply is not tenable since the Department was very well aware of these specifications which were approved way back in 2011, whereas the DPRs relating to the construction of Housing Units, were prepared for the AAP-2016-17.

2.2.10.3 Development of Court Rooms

2.2.10.3.1 Deficiencies in project execution

Against the funds of ₹ 70.05 crore received by the State during the period, the Department completed 13 projects (4 Courts and 9 Housing Units) during the period 2014-19.

Examination of records and joint physical verification of the sampled projects in six selected districts revealed the following:

(i) Delay in construction of Court building at Zunheboto

The Department released ₹ 3.12 crore against approved cost of ₹ 7.19 crore for construction of new Court building in Zunheboto in three instalments during 2014-19. Joint physical verification (October 2019) of the Court complex revealed that, though

the construction of new Court complex commenced in 2012, only 60 *per cent* of the works had been completed. The slow progress of the building works was attributed to non-payment to the contractor.

The Department in reply (June 2020) accepted the audit findings and assured that the Court building will be completed by December 2020 as per progress in physical infrastructure achieved.

(ii) Non-Adherence to approved specification

During 2014-19, Department released ₹ 59 lakh (9 *per cent*), out of the project cost of ₹ 6.44 crore against ongoing construction of Court Complex at Tuensang. The work commenced in September 2017 after demolishing the old Court complex.

During joint physical verification (October 2019), it was noticed that all the four Court rooms are being constructed with the dimension of 19 x 28 feet as against the approved specification of 42 x 24 feet. This would compromise the specifications defeating the objective of space and utility.



Photograph showing stage of completion of Court complex at Tuensang

The Department in reply (June 2020) accepted the audit findings and stated that the specification from the approved plan was deviated due to space availability. The reply is not tenable, since the project was not executed as per the approved specifications, which should have taken into account the available space.

(iii) Non-execution of works in Court Rooms

Examination of records of Court complex at Kohima followed by joint verification of the site, revealed that works of whitewashing involving ₹ 42 lakh and maintenance works (including repair and renovation of toilets) for ₹ 30 lakh were not found executed. Further, rain water harvesting, water supply and repair of roof topping by cement concrete (₹ 4 lakh) reported to be completed in the Measurement Books (March 2018) had also not been executed. The Department had incurred expenditure of ₹ 1.25 crore for repair and renovation work at Court complex at Kohima during 2014-19.

While accepting the facts, the Department in reply (June 2020) stated that the matter had been taken up with the contractor for corrective measures in respect of maintenance works carried out in Kohima.

(iv) Non-availability of amenities in Court complex

During Joint physical verification (August 2019) of three court complexes (Kohima, Mon, Longleng), audit observed that minimum amenities such as video conferencing room, library, malkhana, record room, ramp facility and water supply were not available in any of the three court complexes, as per the standard specifications approved by the Gauhati Court. Further, in respect of family Court, only room of small

size was available in Kohima while it was not available in other two court complexes. Further, dias and podium and room for stenographer was not available in Mon and Longleng court complex.

In reply (June 2020), the Department stated that the existing District Court building at Kohima was constructed in 2005 before the new specifications were enforced. The additional work to meet the new specification in the old building is not feasible. However, maintenance works were being taken up depending on the availability of fund and immediate requirement. But, the fact remains that even after spending towards repair and renovation of court complexes, minimum basic amenities were not available in the three court complexes.

The Department accepted the audit findings in respect of District Court complex at Longleng and stated that lack of facilities as pointed out in audit will be reviewed. The Department also accepted the audit findings in respect of lack of facilities in District Court Complex Mon and assured that the required facilities will be included while revising the DPR of the newly proposed construction of District Court complex at Mon.

(v) Execution of non-permissible works

Examination of records revealed that the Department carried out five non-permissible works valued ₹ 2.06 crore at Kohima (1, ₹ 0.11 crore), Dimapur (2, ₹ 0.15 crore), Longleng (1, ₹ 0.52 crore) and Zunheboto (1, ₹ 1.28 crore) towards maintenance of departmental guest house, construction of protection wall and boundary wall to Judicial Officer's Quarter, construction of road etc. in contravention to scheme guidelines.

(vi) Non utilised/Abandoned Assets

In Zunheboto, construction of two housing units for JO approved (₹ 1.13 crore) under NLCPR was taken up in 2012. After completion of frame work in beams, columns and roof slab, after incurring expenditure of ₹ 59 lakh against volume of work executed, the contractor abandoned the work since he was not paid.



As funds were not an issue being an approved project, the Department needs to explain why the project was not completed and abandoned midway. As mentioned in Paragraph 2.2.10.4 (i) below, the Department floated another proposal for Housing for JOs in this same district and completed the works in August 2018 from the CSS on 'Development of infrastructure for the Judiciary', but the same has also remained unoccupied.

2.2.10.4 Construction of new housing units

2.2.10.4 (i) Construction of housing units below entitled specifications

Out of the estimated cost of ₹ 4.74 crore⁶ for construction of two housing units at Zunheboto and Mon, the Department allocated ₹ 2.66 crore under CSS funds during 2017-18. The construction of housing unit at Zunheboto, at the cost ₹ 2.03 crore was completed in August 2018. However, construction of housing unit at Mon was under progress (70 per cent) and ₹ 63 lakh was released as of date.



Old Court Rooms at Mon in dilapidated condition

During joint verification (October 2019), it was observed that the housing units to accommodate four JOs at Zunheboto was constructed in a plinth area of 560 sq. ft.

against the prescribed minimum plinth area of 1244 sq. ft. During inspection conducted (November 2018) by the Portfolio Judge, it was recommended to modify the building to add essential features in the newly constructed housing units. However, no action was initiated by the Department and the two JOs posted in the districts are accommodated in private building on rent.

Thus, the judicial quarter constructed at the cost of ₹ 2.03 crore remained un-occupied.

The Department in reply (June 2020) accepted the audit findings and stated that details of required suggestion/modification recommended by the Portfolio Judge to the Department was awaited. The Department further assured that necessary estimates in relation to modification shall be assigned to the Engineering Division.

2.2.10.4 (ii) Irregularities in repairs and renovation of housing

Department allocated and released ₹ 2.88 crore during 2014-19 for repair and renovation of housing units for JOs at Dimapur, Kohima and Mon.

Examination of records and joint physical verification of nine housing units in two districts revealed the following:

In Dimapur, out of ₹ 2.88 crore, the Department released ₹ 2.66 crore for repair and renovation of JOs quarter complex (₹ 1.95 crore) and residential quarter of D&SJ adjacent to DC's bungalow (₹ 71 lakh), Dimapur. It was observed during physical verification that the repair and renovation works valued for ₹ 18 lakh⁷ and ₹ 21 lakh⁸ were not executed at the residential complex of JOs and the quarter complex of D&SJ respectively. It was further observed that against four judges posted in Dimapur, only one JO was availing Government accommodation and three were residing in own

⁶ Housing units at Zunheboto ₹ 2.50 crore and Mon ₹ 2.24 crore

⁷ Construction of waiting shed (₹ 12.64 lakh), construction of RCC slab cover to drainage (₹ 2.53 lakh) and construction garage which was in short in execution (₹ 3 lakh).

⁸ Construction of boundary wall (₹ 12.64 lakh) and construction of drainage (₹ 8.85 lakh)

houses even though seven housing units⁹ were available. Thus, six housing units meant for JOs were occupied by two departmental officers¹⁰, three JOs¹¹ posted outside Dimapur and one unit was vacant.

In Mon, out of ₹ 20 lakh allocated for repair and renovation of old quarters of two JOs, CAWD incurred ₹ 10 lakh for construction of security fencing at the backside of the quarter. However, due to poor workmanship the security fencing collapsed after 14 months from its completion. Thus, the expenditure of ₹ 10 lakh was rendered infructuous.

The Department in reply (June 2020) accepted the audit findings and stated that the matter had been taken up with the contractor for necessary action. Matter relating to vacating quarters occupied by the inadmissible occupants had also been taken up by the Department. For Mon, the Department accepted (June 2020) the audit findings and stated that it is due to unstable soil and estimates for the retaining wall would be processed at the earliest.

2.2.10.5 Funds from DoNER-NLCPR

2.2.10.5.1 Short release of funds to the implementing division

Ministry of Development of North Eastern Region (DoNER) conveyed (March 2014) administrative and financial approval of ₹ 8.87 crore (90 *per cent*) being Central Financial Assistance under Non-Lapsable Central Pool of Resources (NLCPR) for construction of 13 housing units for Judicial Officers in Nagaland at a total cost of ₹ 9.85 crore in five districts as detailed below:

⁹ Six units in the complex of Purana Bazar plus one Type V quarter adjacent to DC bungalow.

¹⁰ Additional Public Prosecutor and Additional Legal remembrance

¹¹ Shri. Kanu, CJM, Kiphire since 2003, CJM, Wokha since January 2017 and Shri. Inalo Zhimomi, D&SJ, Mon since 2015.

Table 2.7: Details of funds received under NLCPR

(₹ in crore)

Sl. No.	Location of proposed Judicial officers' quarters	Number of housing units	Total cost	Funds from NLCPR	10 per cent from GoN
1	Mokokchung	2	1.86	1.68	0.18
2	Kohima	4	3.17	2.86	0.21
3	Tuensang	2	2.12	1.91	0.31
4	Longleng	3	1.57	1.41	0.16
5	Zunheboto	2	1.13	1.01	0.12
Total		13	9.85	8.87	0.98

(Source: Departmental Records)

The Ministry of DoNER released ₹ 8.09 crore¹² in three instalments during 2014 to 2017. Accordingly, GoN also released its matching share of ₹ 90 lakh¹³ in two instalments and the Department drew net amount of ₹ 8.54 crore after deduction of VAT of ₹ 45 lakh at source. The irregular deduction of VAT at source is not only a violation of codal provisions but also reduced the amount available to the executing agencies to undertake the works as already mentioned in Paragraph 2.2.9.1.

Cross examination of the receipt and utilization of fund by the executing agency (CAWD) revealed that the Division received only ₹ 4.70 crore during the period 2014 to 2019, for settlement of claims of contractors. In reply to this short release pointed by audit, Department stated (June 2020) that ₹ 3.84 crore meant for expenditure against the ongoing construction of Judicial Officer Quarter at Kohima and Tuensang was available in the Bank Account of the Department (out of the balance of ₹ 9.75 crore). The utilisation certificates furnished were incorrect to the extent of funds of ₹ 3.84 crore not utilised.

2.2.10.5.2 Deficiencies in construction of Housing Units

CAWD spent ₹ 3.02 crore¹⁴ for construction of 10 housing units for Judicial Officers (JOs) in four out of six test checked districts under NLCPR during 2014-19.

Examination of records and joint physical verification of housing units in the two test checked districts revealed the following:

¹² July 2014 (₹ 3.54 crore), August 2015 (₹ 2.93 crore) and March 2017 (₹ 1.62 crore)

¹³ December 2015 (₹ 72 lakh) and June 2017 (₹ 18 lakh)

¹⁴ Kohima (₹ 1.42 crore), Longleng (₹ 1.01 crore), Zunheboto (₹ 0.59 crore), Tuensang (₹ 0 crore)

Table 2.8 showing district wise construction of Housing units of JOs through NLCPR funding

Name of District	Audit observation
Kohima	Four housing units were to be constructed at Kohima for a total cost of ₹ 3.17 crore at two locations (Lerie & Minister's Hill). It was seen that one building (constructed at Minister's Hill, Kohima) to accommodate two JOs was in a plinth area of 1644 sq. ft. against the minimum prescribed plinth area of 2488 sq. ft. and CAWD released ₹ 1.42 crore against the completed building. Another building in same plinth area at Lerie, Kohima was in progress and only structure of column and beams were completed. Joint verification of completed works at Minister's Hill revealed that the Housing Units were irregularly occupied by non-judicial staff of High Court, Kohima Bench.
Tuensang	NLCPR had approved (2014) ₹ 2.12 crore for construction of housing units for JO at Tuensang. Joint verification of the work revealed that the work was under progress at a location where there was a landslide and earlier construction of Court Rooms had been damaged in 2011. Despite this, the Department did not carry out any soil testing before commencement of the work for housing units. It was further observed that the work was neither measured nor paid to the contractor though the work started since 2015. During spot verification, the JO stated that the location is not fit for accommodating JOs as the site is in steep terrain and far from district headquarters.

Thus, the possibility of occupation of housing units in Tuensang out of NLCPR funds remains doubtful. The Department in reply (June 2020) stated that facts and figures were noted for further review and scrutiny by the Department.

2.2.11 Monitoring of Scheme activities

As per the directives (April 2016) of the Supreme Court, State Level Monitoring Committee (SLMC) set up by the High Court and headed by Portfolio Judge¹⁵ should be set up to review the progress of infrastructure developed in the State. The State Government should submit quarterly progress reports to Department of Justice (DoJ), Government of India on the projects sanctioned under the scheme.

Examination of records revealed that the Department of Justice and Law, GoN constituted (August 2010) SLMC as well as district level committees to monitor the infrastructure development of Judiciary in Nagaland. Further, scrutiny of records revealed that the State Level Committee did not convene any meeting during the period of audit (2014-19). Audit noticed that district level committees were not constituted in six test-checked districts which was confirmed by the respective District Session Judges. Further, District & Sessions Judge, Zunheboto and Tuensang stated that neither

¹⁵ Portfolio Judges are appointed for every State to ensure speedy justice to people and also assigned to review the progress of infrastructure developed out of CSS programmes.

specification nor blue print of the infrastructures were made available to them for close monitoring and reporting of the progress of work.

The SLMC or the State Government did not submit monthly or quarterly reports to the DoJ highlighting the monitoring of the implementation and progress of the scheme.

Monitoring of the projects under the scheme at State and District level has been inadequate. It is recommended that an online monitoring system be set up through geotagging, enabling data collection on progress, completion of court halls and residential units under construction, including for future projects.

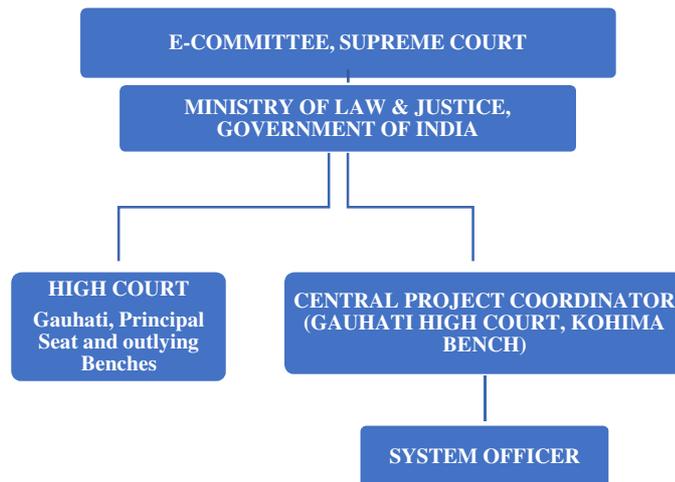
The Department in reply (June 2020) accepted that though District Level Monitoring Committees were set up, they had not performed satisfactorily and assured that specification or blue print of proposed or upcoming infrastructure would be forwarded henceforth. The Department further stated (November 2020) that version 2 of Nyaya Vikas a web portal and mobile application for monitoring of projects under the Scheme, which was developed in 2019 is now operational for geotagging

2.2.12 Audit findings on e-Court Mission Mode Project

The e-Court Project was conceptualized on the basis of the “National Policy and Action Plan for Implementation of Information and Communication Technology (ICT) in the Indian Judiciary – 2005” submitted by the e-Committee of the Supreme Court of India with a vision to transform the Indian Judiciary. In Phase-I of the e-Courts Project beginning from 2007, a large number of Court Complexes, Computer Server Rooms and Judicial Service Centres were established for computerization of the District Courts. The District and Taluka Court Complexes covered in Phase-I were computerized with installation of hardware, Local Area Network (LAN) and Case Information Software (CIS) for providing basic case related services to the litigants and the lawyers. The Policy and Action Plan Document for Phase-II of the e-Courts Project planned and recommended by e-Committee, Supreme Court was approved (January 2014) by the Hon'ble Chief Justice of India and GoI sanctioned the project in August 2015. The Courts covered in Phase-I were targeted to be provided with additional hardware (1+3) systems per Court Room in Phase-II. The Courts not covered in Phase-I and the newly established Courts were also targeted to be provided with (2+6) systems per Court Room and the Court Complexes were to be provided hardware, LAN etc.

The Gauhati High Court, Kohima Bench (GHCKB) is the implementing agency for implementation of e-Court Mission Mode Project in coordination with the Central Project Coordinator (CPC), Kohima Bench.

Chart 2.2.2



e-Court facilities were to be installed in the Information Communication Technology (ICT) rooms¹⁶ of subordinate Courts in all 11 districts. The components of e-court facilities approved by e-Committee included hardware for Courts, technical manpower and infrastructure, replacement of obsolete laptops, Local Area Network/Cloud connectivity, software development etc.

2.2.13 Funding for e-Court Mission mode project

As per the administrative approval of e-Committee of Supreme Court against the proposal made by ICT Committee of Gauhati High Court, Kohima Bench, funds meant for the activities under e-Court Mission Mode Project were transferred to the bank account of the Central Project Coordinator (CPC) by Ministry of Law and Justice, GoI.

Department of Justice (DoJ), GoI is responsible for necessary financial and other approval from competent authorities and convening of the empowered committee and also responsible for disbursement of funds to the High Court or other approved agencies.

During 2015-16 to 2018-19, Gauhati High Court, Kohima Bench received ₹ 5.63 crore and utilised ₹ 5.47 crore for implementation of e-Court Mission Mode Project.

¹⁶ Civil work of ICT room was completed out of the CSS programme implemented by Department of Justice and Law, GoN

Table 2.9 showing Budget received and Utilised under Phase-II

(₹ in lakh)

Year	Opening Balance	Receipts (Centrally Sponsored Scheme)	Total	Utilisation	Closing Balance
2015-16	0	77.00	77.00	0	77.00
2016-17	77.00	231.21	308.21	74.91	233.30
2017-18	233.30	183.40	416.70	248.88	167.82
2018-19	167.82	71.00	238.82	222.82	16.00
Total		562.61		546.61	

Out of ₹ 5.63 crore received from GoI, during Phase-II, the Department utilised ₹ 5.47 crore for implementation of the e-Court project under Phase-II covering ICT infrastructure, technical infrastructure, Video Conferencing equipment, LAN equipment etc.

2.2.13.1 Short receipt and under-utilisation of equipment

The details of Information Communication Technology (ICT) infrastructure and materials purchased for installation in the 11 Court Complexes and High Court, Kohima Bench are given below:

Table 2.10 showing Item wise details of expenditure

Activity	Quantity in Nos.	Unit cost (₹ in lakh)	Total expenditure (₹ in lakh)	Quantity delivered to six sampled district	Expenditure in test checked district (₹ in lakh)
District Courts					
Site preparation	12	4.25	51.00	6	25.50
Dual CPU (2P) server	24	2.50	60.00	12	30.00
Desktop computers	259	0.42	108.51	165	76.98
Printers	74	0.27	19.75	46	12.28
Rack server	1	13.00	13.00	0	0
UPS	297	0.095	20.05	182	12.29
Justice Clock	1	13.00	13.00	0	0
DG Set	11	3.00	33.00	6	18.00
2 TB USB hard disk	11	0.17	1.97	6	1.04
Total (A)			320.28		176.09
District Legal Service Authority					
Desktop computers	22	0.45	10.00	12	5.40
Printers	22	0.35	7.74	12	4.20
UPS-1 KVa	22	0.47	10.35	12	5.64
Total (B)			28.09		15.24
Grand Total (A+B)			348.37		191.33

Examination of records and joint physical verification of computerisation of e-Courts facilities in six test checked districts revealed short receipt and under-utilisation of hardware as below:

Item	Audit Observation in brief	Department Reply
Dual CPU (2 P) servers	Audit observed that three Dual CPU servers worth ₹ 7.50 lakh (Mon-2, Tuensang-1) out of 12 issued to six test checked districts were not received by the courts.	In reply, Registrar accepted (June 2020) that Dual CPU (2 P) servers in respect of Mon (2 servers) and Tuensang (2 servers) were supplied (November 2018). However, non-receipt of three servers in the two District Courts was duly authenticated by the District Judges.
Uninterrupted Power Supply (UPS)	Audit observed that 170 UPS-600 VA were issued to six test checked district, out of which 71 UPS valued at ₹ 4.63 lakh were not received by the six selected district courts (Kohima:15, Dimapur:21, Mon:16, Longleng:7, Tuensang:12).	Details regarding the distribution of UPS was elaborated by the Registrar while replying. However, figures did not match with the quantity of UPS received by the District Courts as affirmed by the district Judicial Officers during the joint physical verification.
USB hard disk (2 TB)	Out of six USB hard disk (2 TB) valued ₹ 1.04 lakh stated to have been issued to six Judicial Officers in test checked districts, audit observed during joint physical verification that the USB hard disks was actually not received by the JOs.	The Registrar in reply accepted (June 2020) the audit findings and assured that USB hard disk (2 TB) will be dispatched as and when CIS goes live in the District courts.
Computerisation of District Legal Service Authority (DLSA)	Audit observed that 12 desktops, 12 printers and 12 UPS were to be issued to six DLSAs. However, joint physical verification of the three DLSAs (Mon, Tuensang and Zunheboto) out of six DLSA revealed that all the computer and accessories had not been installed due to want of space.	The Registrar in reply accepted (June 2020) the audit findings and stated that delivery of the hardware items have been made and installation of the same was at the disposal of the JOs of the respective district Courts manning the district legal service front desk.

The short supply of hardware in the Courts may be investigated by the implementing agency (GHCKB).

2.2.13.2 Installation of equipment for setting up of Judicial Service Centre and Central Filing Centre

Examination of records revealed that GHCKB procured projector with screen, KIOSK¹⁷ and display monitors for setting up Judicial Service Centre (JSC) and Central Filing Centre (CFC) and the above information system materials were installed in 11 District Courts at a total cost of ₹ 50.69 lakh as detailed below:

Table 2.11 showing details of equipment delivered for setting up of Judicial Service Centre and Central Filing Centre

Particulars	Quantity (Nos.)	Unit cost (₹in lakh)	Total expenditure (₹in lakh)	Quantity delivered to six sampled district (Nos.)	Expenditure in test checked district (₹in lakh)
Item with projector and screen	11	0.74	8.10	6	4.42
KIOSK	13	1.49	19.38	8	11.92
Display Monitors	37	0.31	23.21	23	14.43
Extra Monitor +2	37			23	
Total			50.69		30.77

Joint physical verification revealed the following:

Audit Observation	Department Reply
Out of six projectors reported as installed in six test checked district Courts, five district Courts had not installed them while Tuensang district court did not receive the projector.	In reply, the Registrar stated (June 2020) that projectors along with screen were delivered to all the District Courts including Tuensang. However, District & Sessions Judge, Tuensang authenticated non-receipt of the projector.
Against the reported delivery of three KIOSKs to district court of Kohima, only one KIOSK was received by them. District Court, Zunheboto received the KIOSK without display device. Further, five machines received by the district courts of Kohima, Dimapur, Mon, Longleng and Tuensang were lying unutilised as shown in picture below.	The Registrar in reply (June 2020) stated that one KIOSK machine each was supplied to all the nine district Courts and two each were supplied to the district Courts of Dimapur and Kohima. However, the reply was silent on short receipt as well as non-installation of the KIOSK machines in the six district Courts as observed in audit.

¹⁷ A small free standing physical structure that displays information or provide service either digital or non- digital

		
<p>Out of 23 display monitors and 23 extra monitors with 2 ports issued to six test checked district Courts, only 18 display monitors and 17 extra monitor with 2 ports were received by the Courts.</p> <p>Joint physical verification also confirmed that three district courts did not receive 11 display monitors and extra monitors with ports (Kohima: Display Monitor-5, Mon & Tuensang: Extra Monitor -3 each)</p>	<p>Details regarding the distribution of Monitors were elaborated by the Registrar while replying. However, figures did not match with the quantity of Monitors received by the district Courts as affirmed by the district Judicial Officers, during the joint physical verification.</p>	

The deficiency in receipt of equipment for setting up of Judicial Service Centre and Central Filing Centre needs to be investigated by the implementing agency (GHCKB).

2.2.13.3 Scanning and digitalisation of case records

Supreme Court initiated for weeding of old records relating to pending cases and disposed cases by the process of scanning and digitalisation. Digitalised output should be ported to Document Management System for accessing digital records of district Courts through the national web portal.

Digitisation of case record has started only with the Gauhati High Court, Kohima Bench and had not started in rest of the State's district courts. The Registrar, GHCKB stated (September 2019) that the digitalisation process will expectantly be completed by 2020 and regarding delay, it was stated that the matter was taken up with the State Government since 2017, however, the matter is still pending.

2.2.13.4 Shortage of technical manpower

Professional technical support staff in the Court is necessary for continuous and smooth operation of the ICT systems. Daily uploading of data to National Judicial Data grid, resolving day-to-day technology related issues, trouble shooting of ICT infrastructure including the network issues *etc.*, were to be resolved by the technical person.

Gauhati High Court (GHC) approved (2012) nine posts of System Assistants during Phase-I of the project implementation. Accordingly, two System Assistants were appointed on contract at Peren and Mokokchung. State Government did not appoint any technical person in the remaining districts.

In reply, the Registrar accepted the fact (June 2020) and stated that matter has been brought to the notice of State Government for creation of posts.

2.2.13.5 Establishment of digital library

Court complexes were required to maintain integrated digital library management with the help of KOHA¹⁸ software so that digital library is made accessible to the Judicial Officers and pleaders. However, the process to maintain the library in integrated or digital form was not planned for in district courts, hence digital archives did not exist in the district Courts. The Registrar, GHCKB stated that the process could not be started due to connectivity bottlenecks to other peripheral applications available within the State.

The Registrar further stated (June 2020) that no infrastructure is available to establish digital library in the Districts. The same is already implemented in Gauhati High Court, Kohima Bench.

2.2.13.6 Non upgradation of Case Information Software

CIS program compatible with Ubuntu, the freeware operating system customised by the Supreme Court is designed to generate files, data and information on Court cases, status of the case, disposal etc. The software was required to be upgraded from time to time to be compatible with the national portal. CIS 2.0 was not upgraded to 3.10 version in four districts¹⁹ and as such, case data maintenance continued in old version. In Zunheboto, there was no technical person available in the Court since 2018.

In reply, the Registrar accepted the fact (June 2020) and stated that necessary up-gradations were completed by the end of 2019. This could not be verified by audit.

2.2.13.7 Installation of Video Conferencing equipment in Courts and Jails

e-Committee decided to link all district Court complexes with central jail, district jail and women cells through video conferencing by software based video conferencing solution for benefit of the Courts, Jails, law enforcement agencies, government witnesses, litigants, etc. Accordingly, Video Conferencing (VC) equipment were procured and supplied to 11 Courtrooms.

Examination of records revealed that the Registrar, GHCKB had incurred expenditure of ₹ 39.32 lakh during the period on 18 sets of VC equipment. Out of this, 10 sets²⁰ were issued to six test checked districts. On joint physical verification, audit noticed short receipt of four VC equipment valued ₹ 8.72 lakh by district Courts of Kohima (3) and Longleng (1). It was further observed that the VC equipment received by four district Courts were not installed and remained unpacked in the store. The VC equipment received by the district court Zunheboto was reported (October 2019) as stolen by miscreants.

In reply, the Registrar stated (June 2020) that ten sets of VC equipment were delivered. However, non-receipt of 4 sets of VC equipment was authenticated by the two district Judges. The short supply requires further action by the implementing agency.

¹⁸ Open source integrated library software

¹⁹ Longleng, Mon, Zunheboto and Tuensang

²⁰ Dimapur (2), Kohima(4), Mon(1), Tuensang (1), Zunheboto (1) and Longleng (1)

The Registrar added that non-installation of VC equipment was due to non-availability of internet connectivity with the district courts.

2.2.13.8 Non operation of Cloud connectivity in Courts

Cloud data management is a way to manage data across cloud platforms instead of on premises storage and is useful for disaster recovery and back up. Data can be shared across private and public clouds thereby server infrastructure cost can be reduced to that extent. Though the cloud management was one of the scheme components, non-operation of such cloud data management in the six district Courts was noticed in the State due to non-availability of internet connection.

In reply, the Registrar assured (June 2020) that necessary steps will be taken up with National Information Centre to transfer court data to cloud computing.

2.2.13.9 Local Area Network connectivity

LAN nodes location will be finalised by the Administrative Head of the Court Rooms with the assistance of District Court Computer Committee (DCCC) so that desktops and laptops can be catered to access cause list, status and disposal of Court cases, Court orders, *etc.*, by the Judicial Officers as well as pleaders even during, after and before the Court proceedings. There should be a minimum of 12 LAN nodes in each Court Room.

Audit noticed that GHCKB spent ₹ 53.44 lakh during the period for providing LAN facilities in 11 Court Rooms by procuring LAN port switch and Input/ Output boxes and reported its installation in the Court Rooms as detailed below:

Table 2.12 showing details of LAN connectivity items

Particulars	Quantity (Nos.)	Expenditure incurred (₹in lakh)	No of items delivered to six sampled district	Expenditure in test checked district (₹in lakh)
LAN Port Switch	15	16.16	9	9.10
I/O box	246		138	
LAN	11	37.28	6	18.64
Total		53.44		27.74

As per the prescribed norms, 204 LAN nodes were to be installed in six Court complexes, however only 124 LAN nodes were reported as provided. Thus, there was shortage of 80 LAN nodes in six District Court complexes. Contrary to the records of GHCKB, physical verification of six Court complexes revealed that only 50 nodes were provided in 17 Court Rooms in six district Courts, resulting in short provision of 74 node points. Therefore, against the actual requirement of 204 nodes, six test checked district Courts had a shortage of 154 LAN nodes as detailed below:

Table 2.13 showing details of LAN Connectivity points installed

Name of district	No. of Court Rooms	Minimum LAN points required	No of LAN points provisioned for installation	No of points with Court Rooms	No of points server room	Total LAN points	Short	Remarks
Kohima	4	48	19	8	2	10	38	LAN, two Court Rooms not connected with LAN points
Dimapur	5	60	31	12	2	14	46	LAN
Mon	2	24	17	2	0	2	22	No LAN
Longleng	2	24	20	4	2	6	18	No LAN
Tuensang	2	24	19	8	1	9	15	No LAN
Zunheboto	2	24	18	8	1	9	15	No LAN
Total	17	204	124	42	8	50	154	

In reply, the Registrar accepted (June 2020) the observation on short installation of 128 LAN nodes and added that the laying of nodes will be completed in the subsequent work order.

2.2.13.10 Wide Area Network connectivity

There should be seamless, stable, reliable and secure internet connectivity from all Court Rooms to State Data Centre²¹ (SDC) by way of uninterrupted connectivity of WAN²².

However, it was observed that there was no provision of internet facilities in 11 Court Rooms for data communication to the national web portal. e-Committee proposed to set up Very Small Aperture Terminals (VSATs), which can transmit and receive high speed data, for internet communication in difficult terrains where there is a problem in getting quality connectivity. However, GHCKB did not install VSAT in the Courts stating that, it is an out-dated version for data communication. The matter of providing internet connectivity to the district Courts was taken up with the IT Department and BSNL, but was pending since 2016.

The Centralised Filing System was not operational in Nagaland as there was no internet connectivity. Thus, the cause list, pending and disposal status reports *etc.*, were generated through offline mode defeating the intended purpose to improve justice delivery in the State.

In reply, the Registrar accepted (June 2020) the observation and stated that DoJ approved (September 2019) for providing 10 Mbps Lease lines to all District court

²¹ High Court Bench, Kohima is functioning as SDC in Nagaland

²² National Informatics Centre Network or 3rd Generation or Broadband or Multi-Protocol Label Switching or National Knowledge Network or National Optical Fibre Networking or Very Small Aperture Terminal

complexes and the work of laying Optical Fibre Cable (OFC) and supply of Routers are pending with BSNL since July 2019.

2.2.13.11 Solar energy backup

Solar energy back up was proposed by e-Committee in order to deliver litigant centric service without any interruption due to power failure.

Installation of solar energy panels in eight Court Rooms²³ was taken up (March 2019) at the cost of ₹ 75.00 lakh by the HCK and reported as completed (July 2019).

Out of eight districts, where funds were allocated for providing solar energy back up, installation was physically verified in four districts viz., Kohima, Zunheboto, Longleng and Dimapur. The solar energy back up installed in Longleng, Dimapur and Kohima were found operational. On joint verification (August to October 2019), audit noticed that the solar panels reported to be completed in Zunheboto were not installed, though equipment were already supplied to the district Court.

In reply, the Registrar accepted (June 2020) that installation of Solar energy plant in Court Complex, Zunheboto is yet to be started due to ongoing construction of Court Complex building.

2.2.13.12 Training of staff

Most important factor for the success of an e-Governance project is the human resources for operating the system. Therefore, intensive focus on multifarious initiatives of capacity measures on ICT education to Judicial Officers and Court staff is to be imparted either through training laboratories at Judicial Academies or through the Training of Trainers (ToT) model.

Audit observed that the State Judiciary Academy was not established in the State. Therefore, Case Information Software (CIS) training was imparted through ToT attached to High Court Bench, Kohima. However, audit noticed that five JOs in three district Courts²⁴ out of six test checked districts had not been imparted CIS training. Only 14 grade III staffs²⁵ were trained to operate CIS in 16 court rooms of six test checked districts.

In reply, the Registrar stated (June 2020) that 26 subordinate Court staffs were trained on CIS and basic computer and networking skills. However, there were only 14 grade III staff trained on CIS from the list of participants represented from six test checked districts.

2.2.14 Conclusion

The PA on the **Scheme for Development of Infrastructure facilities for Judiciary and e Courts project** in the State taken up for the period 2014-15 to 2018-19, revealed many deficiencies thereby defeating the objectives of improvement in the infrastructure

²³ Kohima, Dimapur, Longleng, Wokha, Phek, Peren, Kiphire and Zunheboto

²⁴ Kohima-3(4), Longleng-1(2) and Zunheboto-1(2)

²⁵ Kohima-3(4), Dimapur- 1(4), Longleng-2(2), Zunheboto-2(2), Longleng-2(2), Mon-2(2) and Tuensang-2(2)

for the Judiciary and the public. The proposals sent by the Department in their AAPs were not prioritised as per requirements and hence the State received some adhoc funds from the GoI. The construction of court rooms and housing units taken up futuristically without correlation to the sanctioned strength of Judges in the districts, suffered delays, were incomplete or remained unutilised.

The Fund Management for the CSS revealed that against a proposal of funds ₹ 173.02 crore for 59 projects in the AAPs, the State received total funds of ₹ 70.05 crore (including State share) out of which ₹ 61.40 crore were spent on programme implementation whereby 13 projects (4 courts and 9 housing units) commenced prior to 2014, were completed during the period 2014-19. The Finance Department made an irregular deduction of VAT and departmental charges of ₹ 7.48 crore from the Central funds received.

The State delayed release of its share of ₹ 6.68 crore by 10 to 14 months during the period and State share for 2018-19 of ₹ 36 lakh was also not released to complement the scheme, thereby affecting timely completion of projects. The department also furnished incorrect UCs to GoI, to the extent of unspent funds of ₹ 5.91 crore in bank accounts.

The Construction of Court Complex at Zunheboto taken up since June 2012, had several irregularities and deficiencies and remained incomplete, with an expenditure of ₹ 3.12 crore. There is no clarity whether this included ₹ 80 lakh purportedly executed and measured in the first Phase of Ground plus One floor of the project. Despite funds being available, the slow progress was attributed to non-payment to the contractor. The entire delay in completing this project since 2012, indicates that the project was really not required by the Department. This is further borne out from the fact that the housing unit at Zunheboto, completed at a cost of ₹ 2.03 crore remained unoccupied since August 2018. The earlier housing unit in the same district which had received GoI funds was also found abandoned for no valid reason after spending ₹ 59 lakh on the frame and structure. These facts were not brought to the notice of GoI in 2016-17 while getting the DPR for new housing units approved for Zunheboto.

We noticed diversion of funds of ₹ 1 crore for construction of Court complex at Mon for purchase of land for ₹ 50 lakh which was not permissible as per guidelines and the balance ₹ 50 lakh were on works not found executed. Proposals for construction of two customary/tribal Courts were included in the AAPs, though these are not explicitly covered by the guidelines and neither were they specifically sanctioned by the GoI.

The Court Complex at Youngbhang Sector, Tuensang located at four kilometres away from the District Headquarter had to be abandoned due to natural calamities (land slide) after incurring an expenditure of ₹ 1.85 crore.

The Department also received funds of ₹ 8.09 crore from DoNER, GoI under NLCPR and ₹ 90 lakh as State share, for 13 housing units for Judicial Officers during the period 2014-17. The Divisions were given only ₹ 4.70 crore and balance funds of ₹ 3.84 crore were lying in bank accounts, against which the Department issued incorrect utilisation

certificates to GoI. Out of the ten housing units test checked by audit, four in Kohima were completed, two housing units in Zunheboto were found abandoned for no valid reason after incurring expenditure of ₹ 59 lakh and housing units in Tuensang remained incomplete since 2015.

Physical verification of works revealed non-execution of specific works, poor workmanship, abandonment of works and below specification works in court rooms and housing units.

Monitoring of progress under the scheme remained deficient. The State Level Monitoring Committee constituted for monitoring the judicial infrastructure in the State did not hold any meeting during the audit period and neither did they send any quarterly progress report to Ministry of Law and Justice. Moreover, District Level Committees were not constituted in any of the districts test checked in audit, neither were the District Judges given specification or blue prints of the infrastructure for effective monitoring.

Phase II of the e Courts project envisaged ICT enablement of Courts by providing additional hardware and equipment for effective service delivery. The implementing agency, Gauhati High Court, Kohima Bench received ₹ 5.63 crore against which they utilised ₹ 5.47 crore during the period 2015-16 to 2018-19. Deficiency in availability of required hardware and equipment in the Court Rooms affected full operation of e Courts project in the State. Audit observed many instances of short receipt of hardware and equipment and their underutilisation in the Courts due to non-monitoring of receipt of equipment by the implementing agency, namely the Registrar, GHCKB. Hardware and equipment such as CPU servers, UPS, USB hard disk, projector, display monitors, kiosks and LAN nodes stated to be supplied by the vendors were either not received or not installed in the Districts.

Digitisation of case records intended to facilitate easy access and weeding of old records has not taken off in the State. Similarly, digital library has not been established, Case Information Software (CIS) was not upgraded in four districts, cloud data management remained non-operational and wide area network could not be made functional due to non-provision of internet facilities in Court rooms, which hindered the establishment of Centralised Filing System and thus, facilitate easy access to cause list, pending and disposal case reports etc. This was further aggravated by severe shortage of technical manpower and lack of adequate training of JOs on CIS. Despite an expenditure of ₹ 39.32 lakh on Video Conferencing equipment, the utilisation was 'Nil' for want of internet facility in Jails. Due to ongoing civil works in Court Complex Zunheboto, solar panels worth ₹ 9.38 lakh could not be installed.

2.2.15 Recommendations

Following recommendations are made:

- The Department needs to complete the undertaken works under the CSS in a time bound manner and ensure their utilisation. In our assessment, completion of the undertaken works would suffice and no further works are really required

considering the sanctioned strength of the judiciary and infrastructure already available in the State.

- The High Court may streamline the procurement and distribution of IT equipment, investigate short receipt of materials in District Courts and take stringent action against responsible suppliers/staff for equipment not supplied. Monitoring of the e Courts project be ensured at the highest level.
- The Judicial Service Centre cum Central Filing Centre should be operationalized with installation of requisite infrastructure and posting of manpower to ensure that services to the litigants and lawyers are provided effectively and efficiently. The State may ensure internet connectivity to jails so that judiciary may utilise the Video Conferencing facilities provided under e-Courts Scheme.
- The Department may fix accountability for abandoned works since public money is at stake and institute an independent mechanism of financial and technical audit of all projects undertaken and funds received so far.

Compliance Audits

HOME DEPARTMENT

2.3 Compliance Audit on Disaster Management in the State

The State of Nagaland forms a part of the most severe seismic zone in the country namely Zone-V of Seismic Zoning Map of India that is referred as Very High Damage Risk Zone. The general area of the State is low-lying hills which are prone to disaster due to unstable rock formation, especially during monsoon which lasts from May to September. The main natural disasters in the State are landslides, earthquake, floods, hail storm, fires, drought, *etc.*

The Government of India (GoI) Disaster Management (DM) Act, 2005, laid down the institutional framework for disaster management including Disaster risk reduction at various levels, to draw up the State and District plans for disaster management, integrate the measures for disaster prevention and mitigation and make necessary budgetary provisions.

The DM Act, 2005 mandates the National Disaster Management Authority (NDMA) to lay down policies and guidelines for the statutory authorities to draw their plans. The NDMA formulated guidelines²⁶ on various types of disasters and related issues. Section 38 of DM Act, 2005 requires the State Government to take all measures specified in the guidelines laid down by the NDMA and such further measures as it deems necessary or expedient, for the purpose of disaster management in the State.

2.3.1 Introduction

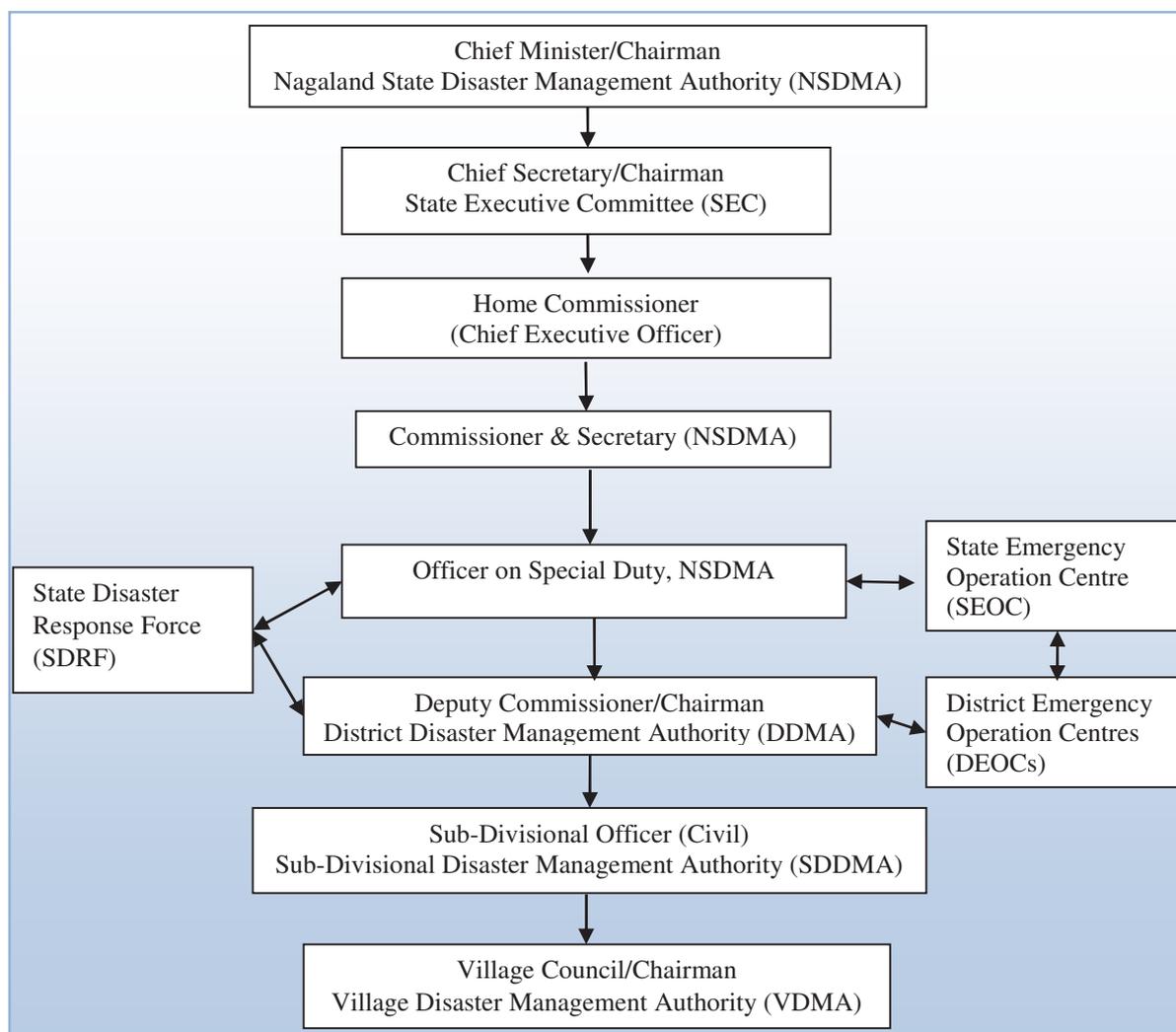
The GoI's DM Act, 2005, defines "Disaster" to mean "a catastrophe, mishap, calamity or grave occurrence in any area, arising from natural or man-made causes, or by accident or negligence which results in substantial loss of life or human suffering or damage to, and destruction of property, or damage to, or degradation of environment, and is of such a nature or magnitude as to be beyond the coping capacity of the community of the affected area".

The Act provides for a disaster management framework that envisages a continuous and integrated process of planning, organising, coordinating and implementing measures for prevention of disasters, mitigation or reduction of their risk and severity, capacity building and preparedness to deal with any disaster, prompt response to disaster, assessing the severity of a disaster and undertaking evacuation, rescue, relief, rehabilitation and reconstruction.

²⁶ NDMA Guidelines on Chemical Disasters (April 2007), Earthquakes (April 2007), Cyclones (April 2008), Floods (January 2008), Psycho-Social Support & Mental Health Services in Disasters (December 2009), Landslides and Snow Avalanches (June 2009), Incident Response System (July 2010), Urban Flooding (September 2010), Drought (September 2010), Scaling, Type of Equipment and Training of Fire Services (April 2012), School Safety Policy (February 2016), Hospital Safety (February 2016)

The Compliance Audit on Disaster Management in the State covering the period 2014-19 was carried out during April to September 2019.

2.3.2 Organisational set up



(Source: Nagaland State Disaster Management Rules, 2007)

2.3.3 Infrastructure and Human Resources

Availability of infrastructure and human resources under Nagaland State Disaster Management Authority (NSDMA) in the State is shown in the chart below:

	Infrastructure	Human Resources
NSDMA	<ul style="list-style-type: none"> i. Attached to Home Department, Nagaland Civil Secretariat, ii. 11 Mahindra Boleros attached to NSDMA officials and five emergency pool vehicles. 	29 Staffs including seven District Disaster Management Officers (DDMOs) posted at NSDMA Secretariat, Nagaland, Kohima.
SEOC	<ul style="list-style-type: none"> i. Operating from a rented building, ii. One Mahindra camper (4x4) 	Seven staffs stationed at Kohima.
DDMA/DEOC	<ul style="list-style-type: none"> i. Attached to the Deputy Commissioner's Office. ii. Gypsy (11 nos.) and one JCB attached to Kiphire DDMA. 	11 staffs (one each in 11 Districts)
SDRF	<ul style="list-style-type: none"> i. Operating from rented buildings, ii. One Tata 407 four wheel drive mini-truck, iii. Search & Rescue equipment procured in 2014. 	<ul style="list-style-type: none"> i. 240 personnel (30 each in eight districts) drawn from the Civil Defence and Home Guards. ii. In the remaining three Districts (Longleng, Kiphire and Peren), the District Executive Force from the Office of the Superintendent of Police functions as SDRF in the event of natural calamity. iii. 2760 Community First Responders in 11 Districts.

(Source: NSDMA records)

2.3.4 Scope of Audit

The Compliance Audit covered the NSDMA, Special Officer (Accounts), DDMA and line departments²⁷ for the period from 2014-19. The Schemes/programmes on disaster management implemented by the NSDMA/DDMA such as State Disaster Response Fund (SDRF), National Disaster Response Fund (NDRF), Aapda Mitra, Conduct of State/District level Mock Exercises, *etc.* were test checked. At field level, four out of eleven districts in the State (Kohima, Dimapur, Peren and Zunheboto) were selected by adopting Probability Proportional to Size With Replacement Method (PPSWR) with size measurable to funds received by the districts for relief and disaster management.

²⁷ Public Work Department (R&B), Animal Husbandry & Veterinary Sciences, Agriculture, Health & Family Welfare, School Education, Power and Municipal Affairs.

2.3.5 Audit Methodology

Audit methodology comprised of an entry conference (18 April 2019) held with the officers from the NSDMA, Home Department. This was followed by issue of requisitions and questionnaires, examination of records, joint inspection and issue of audit observations. The draft report was issued to the Department and an exit conference was conducted on 25 August 2020 to incorporate the replies and views expressed by the Government/ Department.

2.3.6 Audit Objectives

The audit objectives were to assess whether:

- there was comprehensive planning for disaster preparedness and identification of disasters;
- adequate funds were provided in a timely manner and utilised efficiently, effectively and economically for the intended purposes;
- capacity building, manpower and monitoring mechanisms were adequate and effective;
- disaster response system was in place.

2.3.7 Audit Criteria

The audit findings were benchmarked against the following sources of criteria.

- DM Act 2005, National Policy on Disaster Management, 2009, Standard Operating Procedure for Responding to Natural Disasters, 2010;
- Nagaland State Disaster Management Rules (NSDMR) 2007, Nagaland State Disaster Management Plan (NSDMP) 2012, Standard Operating Procedure (SOP)-NSDMA, District Plans, Nagaland Building Bye-Laws, 2012;
- Guidelines, Circulars and instructions issued by Ministry of Home Affairs, National Disaster Management Authority (NDMA), Government of Nagaland, State Disaster Management Authority; and
- Sanction orders, Receipts and Payments Rules, General Financial Rules and Nagaland Public Works Department Code.

2.3.8 Acknowledgement

We acknowledge the co-operation and assistance extended by the NSDMA, DDMA's and the line departments during the conduct of audit.

Audit Findings

Audit findings of the Compliance Audit are discussed in the succeeding paragraphs.

2.3.9 Planning

2.3.9.1 State and District Disaster Management Plans

Section 23 of the GoI's DM Act, 2005, provides that every State Executive Committee (SEC) should prepare a State Disaster Management Plan (SDMP) in conformity with the guidelines²⁸ laid down by the NDMA after consultation with local authorities, district authorities and the people's representatives as the SEC may deem fit. The SDMP should be approved by the Nagaland State Disaster Management Authority (NSDMA²⁹), reviewed and updated annually.

The SDMP shall include:

- The vulnerability of different parts of the State to different forms of disasters;
- The measures to be adopted for prevention and mitigation of disasters;
- The manner in which the mitigation measures shall be integrated with the development plans and projects;
- The capacity-building and preparedness measures to be taken;
- The roles and responsibilities of each Department of the Government of the State in relation to the measures specified above; and
- the roles and responsibilities of different Departments of the Government of the State in responding to any threatening disaster situation or disaster.

Section 31 of DM Act, provides that each district shall prepare District Disaster Management Plan (DDMP) after consultation with the local authorities having regard to the National and the State Plan and approved by the NSDMA, reviewed and updated annually. The DDMP shall, *inter alia*, include areas in the district vulnerable to different forms of disasters; measures to be taken for prevention, mitigation, capacity-building and preparedness.

Disaster Management Plan is a “dynamic document” that needs to be periodically improved keeping up with the emerging global best practices and knowledge base in disaster management and local conditions.

Examination of records revealed that NSDMA since its constitution (July 2008) held five meetings³⁰ to review disaster management activities in the State. Audit observed that though the SEC had finalised the first SDMP (2012-13) in October 2012, it was yet to be approved by NSDMA (September 2019). Similarly, the first DDMPs (2012-13) were yet to be approved by NSDMA (September 2019). The first SDMP/DDMPs

²⁸ National Disaster Management Authority (NDMA) guidelines for preparation of the SDMP issued in July 2007.

²⁹ As per section 14 of the DM Act, 2005, a State Disaster Management Authority shall consist of the Chairperson (Chief Minister), members not exceeding eight nominated by the Chairperson of the State Authority and the Chairperson of the State Executive Committee shall be the Chief Executive Officer of the State Authority, *ex officio*.

³⁰ 1st meeting (17.03.2011), 2nd meeting (17.02.2012), 3rd meeting (03.03.2014), 4th meeting (20.11.2017) and 5th meeting (27.07.2018)

(2012-13) were reviewed during 2018-19 and the updated SDMP and DDMPs were yet to be approved by NSDMA (September 2019).

The disaster management activities in the State were managed by the State and district level authorities without approved State and District plans during the period from April 2014 to September 2019.

The Government stated in reply (November 2019) that, NSDMA meeting under the Chairmanship of the Chief Minister could not be held during 2015-18 due to political instability in the State. The SDMP and DDMPs are dynamic in nature and needed to be updated with the change of climatic conditions and nature of the disaster. The SDMP and DDMPs were approved by the NSDMA/SEC and are in place. The latest edition of the SDMP and DDMPs are in progress.

The fact remains that the SDMP and DDMPs for 2012-13 were finalised at the level of the SEC and not placed before the NSDMA for approval, which was against provisions of Section 23 and 31 of the DM Act, 2005. The review of SDMP/DDMPs (2012-13) can happen only after an approved plan was in place. No further plans for activities were thereafter found in place.

2.3.9.2 Disaster Management Plan of State Government Departments

Section 40 read with Section 49 (2) of the DM Act, 2005 requires every department of the State Government to prepare a Disaster Management Plan (DMP) in conformity with the guidelines laid down by NSDMA and make provisions in its annual budget for carrying out the activities and programmes set out in its DMP. The DMP should be approved by NSDMA, reviewed and updated annually. Section 40 (2) requires every department to furnish an implementation status report to the SEC on the implementation of the DMP.

Examination of records revealed that the NSDMA had conducted one day (December 2018) orientation programme for 59 departments of the State Government for preparation of departmental DMP. Audit however, observed that none of the departments had submitted its DMP to the NSDMA (September 2019). Thus, the roles and responsibilities assigned to departments in the DM Act, 2005 were not fulfilled in the State.

The Government while accepting (November 2019) the facts stated that NSDMA has issued Departmental Disaster Management Plan template to all the line departments and is in the process of receiving the line departmental disaster management plans.

2.3.9.3 Planning at Sub-Divisional and Village Disaster Management Authority level

Rule 26 read with Rule 30 of NSDM Rules, 2007 stipulates that every Sub-Division of the district should constitute a Sub-Divisional Disaster Management Authority (SDDMA). The SDDMA should prepare a Sub-Divisional Plan (SDP) after consultation with the local authorities, line departments and in accordance with the

National, State and the District Plan, to be approved by NSDMA, reviewed and updated annually.

Rule 31 read with Rule 35 of NSDM Rules, 2007 requires the DDMA to set up a Village Disaster Management Authority (VDMA) for every village in the district. The VDMA should prepare a Village Disaster Management Plan (VDMP) after consultation with the local authorities and in accordance with the National, State, District and SDP for approval by NSDMA, to be reviewed and updated annually as shown below:

Table 2.14 showing district wise number of SDDMA and VDMA

Sl. No.	District	No. of Sub-Divisions	No. of Sub-Divisions SDDMA constituted	No. of Sub-where was	No. of villages	No. of villages where VDMA was constituted
1	Kohima	5	0		95	10
2	Dimapur	6	1		202	36
3	Peren	2	0		81	0
4	Zunheboto	6	4		196	92
	Total	19	5		574	138

(Source: DDMA records)

As seen from above table, five out of 19 Sub-Divisions (26 per cent) had constituted SDDMA and 138 (24 per cent) out of 574 villages had constituted VDMA in the four test-checked districts. The remaining SDDMAs and VDMA were not constituted due to lack of follow up action from sub-divisional and village level functionaries. Audit also observed that none of the SDDMA/VDMA had approved SDP/VDMP for disaster management activities at the grassroots level (September 2019).

Thus, participation of grassroots level functionaries in disaster management activities as envisaged in the NSDM Rules, 2007 could not be achieved. Further, the absence of functionaries in the villages would adversely impact the disaster management response, should a calamity arise.

The Government while accepting (November 2019) the facts stated that the constitution of the community level authorities is in progress.

2.3.9.4 Enforcement of Nagaland Building Bye-laws, 2012 in the State

Section 41 of the DM Act, 2005 stipulated that a local authority shall ensure all construction projects under it or within its jurisdiction conform to the standards and specifications laid down for prevention of disasters and mitigation by NDMA, SDMA and DDMA. The Nagaland SDMP (2012-13) envisaged strict adherence to Nagaland Building Bye-Laws in the State.

Section 3 of the Nagaland Building Bye-Laws (NBBL), 2012 requires every person to obtain building permits from authorised agencies³¹ before any construction. Further, sections 43 to 57 contain the provisions for structural safety in “Natural hazard prone

³¹ Municipal Councils/ Town Councils and a Local Authority or officer authorised under Sections 7 or 19 of the Nagaland Municipal Act 2001 or any other laws in force in this behalf.

areas³² where structural design of foundations, elements of masonry, timber, plain concrete, reinforced concrete, pre-stressed concrete and structural steel should conform to the National Building Code of India.

Examination of records revealed that the NBBL, 2012 is not implemented in the State, due to lack of technically qualified manpower such as architects, engineers, *etc.* in the Urban Local Bodies of the State for examining the building plans, issuing building permits, completion certificates, *etc.* Audit observed that a Special Task Force (STF) constituted (March 2015) by the State Government to review the efficacy of the NBBL, 2012 and suggest amendments/ additions, if any is yet to submit report to NSDMA (September 2019).

Thus, the structural designs of buildings for protection against cyclone/wind storm, earthquake, landslide, *etc.* were not enforced in the State making buildings vulnerable to earthquakes, landslide, cyclone, *etc.*

The Government while accepting (November 2019) the facts stated that under the initiative of NSDMA for implementation of Building Bye-laws in Nagaland, a Special Task Force was constituted (March 2015). After several rounds of meeting and review of the NBBL, 2012, the STF under the Chairmanship of Secretary NSDMA, Home Department has submitted its recommendation to the Department of Municipal Affairs for submission to the Government for amendments in the NBBL, 2012.

The fact remains that the building bye laws have not been implemented making the State prone to acute damages in event of calamities.

2.3.10 Financial Management

2.3.10.1 Fund Receipt and Expenditure

Fund receipts and expenditure incurred from SDRF³³, NDRF³⁴, Capacity Building for NSDMA (XIII-FC Grant), Strengthening of SDMA and DDMA's, Aapda Mitra, Financial Support to States for conduct of State/District level Mock Exercises and Prime Minister Natural Relief Fund (PMNRF) during the period from 2014-19 at the State level are shown in table below:

³² Moderate to high intensity of earthquake, or cyclonic storm, or significant flood flow or inundation, or landslides/ mud flows/ avalanches, or one or more of these hazards.

³³ In case of special category States, the fund sharing ratio was 90:10 between Centre and State Government.

³⁴ NDRF is a fund operated by the GoI which is 100 *per cent* funded by the Central Government.

Table 2.15 Details of funds received and expenditure

(*₹ in crore*)

Year	Opening balance	Fund received from GoI & GoN	Total fund available	Expenditure	Closing balance	Percentage of unspent balance
2014-15	11.87	23.79	35.66	20.13	15.53	44
2015-16	15.53	25.28	40.81	24.84	15.97	39
2016-17	15.97	33.26	49.23	28.30	20.93	43
2017-18	20.93	38.43	59.36	46.29	13.07	22
2018-19	13.07	218.42	231.49	208.01	23.48	10
Total		339.18		327.57		

(Source: NSDMA records)

As seen from above table, as against total funds of ₹ 351.05 crore³⁵ available with the NSDMA during the period 2014-19, expenditure incurred was ₹ 327.57 crore and closing balances ranged from ₹ 13.07 crore to ₹ 23.48 crore during the period. Under SDRF, the total fund available during 2014-19 was ₹ 51.78 crore (including Central share of ₹ 43.24 crore, State share of ₹ 7.68 crore and opening balance of ₹ 0.86 crore) out of which an amount of ₹ 50.92 crore was spent, leaving a closing balance of ₹ 0.86 crore. Audit observed from examination of records that SDRF balances had not been invested as stipulated in the guidelines i.e., Central Government dated Securities; Auctioned Treasury Bills; and interest earning deposits and certificates of deposits with Scheduled Commercial Banks.

The Government stated (November 2019) in reply that, the question of heavy closing balance ranging from ₹ 13.07 crore to ₹ 23.48 crore was less keeping in view the impending disaster that may affect the State at any time. These are emergency reserves which were necessary.

Details of funds received and expenditure incurred by the test-checked DDMA's during 2014-19 are shown in table below:

Table 2.16 showing Funds received and Expenditure incurred by the test-checked DDMA's during 2014-19

(*₹ in crore*)

Sl. No.	DDMA	Opening balance	Fund received	Total fund available	Expenditure	Closing balance	Percentage of unspent balance
1	Kohima	0.007	9.09	9.10	9.08	0.02	0.20
2	Dimapur	0.00	6.27	6.27	4.21	2.06	33
3	Peren	0.10	5.55	5.65	4.73	0.92	16
4	Zunheboto	0.0015	7.68	7.68	6.63	1.05	14

(Source: DDMA's records)

As seen from the above table, the percentage of unspent balance ranged from 0.20 to 33 per cent during 2014-19 in the four test-checked districts, indicating less utilisation of funds sanctioned for disaster management activities.

³⁵ ₹ 11.87 crore (OB of 2014-15) + ₹ 339.18 crore (Funds received from GoI & GoN) = ₹ 351.05 crore

The Government may improve its spending of the sanctioned funds and invest the surplus SDRF as per the guidelines.

The audit findings on utilisation of funds are discussed in the subsequent paragraphs.

2.3.10.2 Delay in release of fund by State Government

As per paragraph 7 of the Guidelines on Constitution and Administration of SDRF (September 2010), the State Government is required to transfer the Central share along with the State's share to SDRF immediately upon receipt of Central share. Paragraph 7 of the updated guidelines³⁶ *ibid* (July 2015) states that the State Government would have to bear interest at Bank Rate³⁷ of Reserve Bank of India for delays in transfer beyond 15 days from the date of release of Central share. Further, Paragraph 11(vi) of the guidelines *ibid* states that whenever the SDRF is replenished with additional Grants-in-aid from NDRF, the fund shall be treated in the same manner as the funds in SDRF as far as transfer and accounting are concerned.

Examination of records revealed that the State Government during 2015-19 transferred ₹ 279.07 crore of SDRF (Central plus State share) and NDRF funds after delays ranging from seven to 69 days from the date of receipt of Central share. The State Government had to pay interest of ₹ 0.56 crore to the fund due to delay in transfer as shown in *Appendix-1.2*.

Delay in release of funds undermines the very purpose of the fund which was constituted to give timely financial assistance for emergency relief activities.

The Government while accepting (November 2019) the facts stated that Nagaland being resource crunched State, there were instances where SDRF/NDRF releases for implementation were delayed. These are done by the State Finance Department to ensure the status of State Finances and not undermining the very purpose of Relief Emergency Fund.

The reply is not tenable since these funds are not meant for use elsewhere by the Government. The State Government did not reply on payment of interest of ₹ 0.56 crore due to delay in transfer of funds.

2.3.10.3 Diversion of State Disaster Response Fund and National Disaster Response Fund

Paragraph 3 of the Guidelines on Constitution and Administration of SDRF (July 2015) states that fund under SDRF shall be used only for meeting the expenditure for providing immediate relief to the victims of natural disasters mentioned in the guidelines. The administrative expenses, provision for disaster preparedness, restoration, reconstruction and mitigation should be built into the State Plan funds and should not be a part of SDRF or NDRF. However, five *per cent* of the annual allocation

³⁶ the guidelines will be operative from financial year 2015-16

³⁷ Section 49 of the RBI Act of 1934 defines Bank rate as the "standard rate at which RBI is prepared to buy or rediscount bills of exchange or other commercial papers eligible for purchase. When banks want to borrow long term funds from RBI, it is the interest rate at which the RBI charge them.

of SDRF may be kept for Capacity Building activities³⁸ by the State. Further, as per the items and norms of assistance from SDRF/NDRF (November 2013 and April 2015), procurement of equipment/ machineries was permissible from SDRF and not from NDRF subjected to the ceiling of 5 per cent (2013-15) and 10 per cent (2015-19) of fund allocation under SDRF.

Examination of records revealed that the SEC notified (July 2017) the budgetary break-up (in *percentage*) for utilisation of SDRF in the State as under:

Table 2.17 showing break up for utilisation of SDRF fund

Sl. No.	Particulars	As notified by the SEC (<i>per cent</i>)	As notified by the Ministry of Home Affairs, GoI (<i>per cent</i>)
1	Relief compensation	45	75
2	Training and capacity building	15	5
3	Procurement of equipment	10	10
4	State Specific disasters	10	10
5	Administrative cost	20	No provision
Total		100	100

(Source: NSDMA records)

As seen from above table, the SEC’s notification on budgetary break-up for utilisation of SDRF in the State was not as prescribed by GoI. The allocation under “Relief compensation” was much less than the prescribed limit. There is no provision for administrative expenses under SDRF/NDRF but SEC’s allocated 20 per cent in violation of SDRF/NDRF guidelines.

Further examination of records revealed that the NSDMA diverted SDRF fund of ₹ 6.46 crore during 2014-19 for payment of wages of SDRF personnel (₹ 4.12 crore), salary of fixed paid employees (₹ 0.65 crore), travelling expenses of NSDMA officials (₹ 0.87 crore), POL for NSDMA’s vehicles (₹ 0.21 crore) and salary of CSS employees (₹ 0.61 crore).

The above diversions of SDRF and NDRF were irregular and would affect the extent and implementation of the Disaster Response Activities.

The Government while accepting the facts stated (November 2019) that necessity for diversion of SDRF/NDRF were made with due approval from the SEC to carry out the functions of SDMA as stipulated in the DM Act, 2005. Accordingly, budget break-up within the annual allocation of SDRF with a slight deviation from the GoI guidelines in the context of Nagaland were made.

The reply is not acceptable as it violates the SDRF Guidelines and needs to be brought to the notice of NDMA, GoI.

³⁸ Setting up/ Strengthening of EOCs; Training/ Capacity Building of stakeholders and functionaries; Supporting disaster management centres of State ATIs and other institutions; Preparation of Disaster Management Plans based on Hazards, Risk and Vulnerability Analysis and Strengthening of SDMA and DDMA.

2.3.10.4 Non maintenance of Cash Book

Rule 13 of the Receipts and Payments Rules inter alia, stipulates maintenance of Cash Book, its regular closure, verification of Cash Balances etc.

Examination of records of the NSDMA, revealed that Cash Book which is the primary record for financial controls was not maintained. Further, other basic records such as Bill Register, Cheque Issue Register, TA bill register (prior to September 2016), etc. were also not maintained by the Authorities. Audit also observed that none of the four test checked DDMA's maintained Cash Book.

In absence of Cash Book, the Controlling Officer did not exercise controls over financial transactions as envisaged in the financial rules. Absence of financial propriety and absence of internal controls over handling and management of cash would facilitate mis-utilisation, diversion and even misappropriation of funds.

The Government while accepting the facts stated (November 2019) that maintenance of cash book at NSDMA and DDMA's have started after this was pointed out and shall continue to be maintained regularly.

2.3.10.5 Non-establishment of separate SDMF and District Funds

Section 48 of DM Act, 2005 stipulated that the State Government shall, immediately after notifications issued for constituting the NSDMA and DDMA, establish separate funds namely (a) SDRF for the SEC (b) State Disaster Mitigation Fund (SDMF) for NSDMA (c) District Disaster Response Fund (DDRF) for DDMA and (d) District Disaster Mitigation Fund (DDMF) for DDMA.

Examination of records revealed that the State Government had constituted (November 2010) only SDRF in the State and the other three mandatory funds SDMF, DDRF and DDMF at the State and District levels were not established as envisaged by the Act and resources and funding arrangement were available only from SDRF. Audit observed that during disasters, relief activities at the district level were carried out through fund received from the SDRF.

As the State Government did not constitute the funds at State and district levels as envisaged by the Act, the powers and functions delegated to the three authorities could not be fully exercised for effective implementation of the disaster management in the State. Further, in absence of Mitigation Funds, expenditure on inadmissible activities were made from SDRF/NDRF as discussed in the succeeding paragraphs.

The Government while accepting the facts stated (November 2019) that constitution of SDMF, DDMF and DDRF are in process.

2.3.11 Implementation of Relief and Disaster Management activities - Performance Management

As per the NSDMA's "General Guidelines for NDRF civil works", the DDMA's were to ensure that works relating to calamities etc. were done after tendering and following due process as per contracts with the agency.

2.3.11.1 Irregularities in execution of NDRF civil works

Rule 135 of Receipts and Payments Rules, stipulates that payment for all work done other than by the daily labour and for all supplies shall be made on the basis of measurements recorded in Measurement Books (MBs). No payment other than an advance payment may be given, unless the correctness of the claim in respect of quantities and rates as well as the quality of the works done is carefully checked by a responsible officer.

Section 53 of DM Act, 2005 further stipulated that whoever, being entrusted with any money or materials, or otherwise being, in custody of, or dominion over, any money or goods, meant for providing relief in any threatening disaster situation or disaster, misappropriates or appropriates for his own use or disposes of such money or materials or any part thereof or wilfully compels any other person so to do, shall on conviction be punishable with imprisonment for a term which may extend to two years, and also with fine. Out of 499 works implemented in the four test-checked districts, 149 works (30 per cent) were jointly verified (June-September 2019). Out of which irregularities were noticed in 85 physically verified works as summarised below.

Table 2.18 Irregularities found during physical verification*(₹ in crore)*

Sl. No.	Type of observation	No. of works	Amount involved
1	Unverifiable/Doubtful works	71	50.59
2	Unexecuted works/ Misappropriation of funds	9	7.21
3	Land development (construction of Retaining wall, CC pavement, etc.) of private individuals	5	2.19
	Total	85	59.99

(Source: NSDMA records and joint inspection reports)

The details are discussed in the following paragraph:

(i) Unverifiable/Doubtful works

Out of 71 works, 63 works for ₹ 49.30 crore were implemented departmentally by the Engineering section, NSDMA and eight works for ₹ 1.29 crore were implemented by Peren DDMA and paid to contractors and beneficiaries. During joint verification, the Department officials could not locate and show to audit any of the 71 works which were recorded to be executed.

Examination of records by audit of four test-checked DDMA revealed that, in Peren district, the line department PWD (R&B) were not involved in the implementation of civil works such as renovation/restoration of road, construction of retaining wall/culvert/drain and land slide clearance. The Deputy Commissioner released payments of ₹ 2.91 crore (22 works) to contractor/individual beneficiary without any measurement of works executed or certificates of work being executed.

The Government stated (November 2019) in reply that, most of the restorative works undertaken at the DDMA level in the district were implemented in coordination with the concerned department. However, depending on the conditions and situation, there may be some cases where restorative works might have been done by the DDMA under the Chairmanship of Deputy Commissioner. Those works with no proper vital measurement books shall be rectified in coordination with the concerned DDMA.

(ii) Unexecuted works/Works not found in joint verification

Audit observed that nine out of 149 works were recorded to be executed departmentally by the Engineering section, NSDMA and paid ₹ 7.21 crore on the basis of measurements recorded in the MBs (*Appendix-1.3*). Joint verification revealed that all the works for ₹ 7.21 crore were not found executed. The NSDMA officials present during joint verification stated that the scope of the work as recorded in the MBs and the actual execution were different.

The statement of the officials present during joint verification was an admission of the fact that the work for which sanction was accorded was either not executed or not executed as per scope of work.

(iii) Land development of private individuals

Audit found during joint verification that five works for ₹ 2.19 crore were utilised for land development (construction of CRSM Retaining wall, CC pavement, *etc.*) of two private individuals (*Appendix 1.4*) which was inadmissible as per NDRF guidelines.

The above instances indicated that the fund of ₹ 59.99 crore sanctioned for providing relief works were not judiciously utilised as envisaged in the NDRF guidelines.

The Government stated in reply (November 2019) that, all 71 and nine restorative works were executed and may be verified, as these restorative works were actually implemented on ground. Since nature of works was restorative, the physical visibility will be worn out in the passing of days and years. The instability of the soil and the unpredictable fury of nature could re-occur and affect the same restored works carried out by the department before. The four works amounting to ₹6.25 crore in Zunheboto district was jointly verified with audit where clearances of debris were shown in five different spots due to occurrence of massive landslide and flash flood. The constructions of retaining walls were diverted for clearance of debris and reconstruction basing on the emergency situation for which Measurement Book was not furnished.

The reply is not acceptable as even though the works implemented were of medium, long-term/ permanent nature these could not be located by the NSDMA officials during joint physical inspection. Further, joint physical inspection confirmed that five works were implemented for land development of two private individuals.

2.3.11.2 Short disbursement of relief to victims of natural disasters

MHA, GoI notified (8 April 2015) the revised list of items and norms of assistance from SDRF/NDRF for the period 2015-20 effective from 1 April 2015. This revision was based on the recommendation of the 14th Finance Commission on financing of

expenditure on immediate relief during natural disasters and report of the Expert Group set up by the Ministry.

Examination of records revealed that NSDMA received the Ministry’s notification in June 2015 and the NSDMA notified the revised list of items and norms of assistance only in May 2016. As a result, relief assistances were disbursed at the old norms of assistance despite the revision of norms by the Ministry. The details are as shown below:

Table 2.19 Short disbursement of relief

(₹ in lakh)

Year	Nature of calamity	Item damaged	Entitlement as per revised items & norms	Amount disbursed	Short disbursement
2016-17	Earthquake	2 houses with properties	2.11	0.35	1.76
	Fire	3 houses	3.06	0.45	2.61
	Flood	43 houses with properties and 35.20 hectares of agricultural plantations	5.58	3.27	2.31
	Hailstorm	2206 houses, 5 community buildings and 106 electric poles	1041.46	99.16	942.30
	Landslide	40 houses, 3 acres of paddy fields and one ex-gratia	226.38	33.64	192.74
2017-18	Hailstorm	269 houses	274.11	11.25	262.86
Total			1552.70	148.12	1404.58

(Source: NSDMA records)

Thus, out of ₹ 15.53 crore relief payable to 2590 victims of disasters during 2016-18, NSDMA paid only ₹ 1.48 crore resulting in denial of full benefits to the calamity victims by ₹ 14.05 crore.

The Government stated (November 2019) in reply that, there was no short disbursement of relief to the victims of natural calamity. The audit observation was made from the period of disbursement. However, disbursement which was made after the notification of new norms of SDRF/NDRF pertains to the fund under SDRF/NDRF for 13th Finance Commission and those applications of relief also pertained to that period. Therefore, NSDMA followed the old norms of relief as this fund pertains to the 13th Finance Commission and not 14th Finance Commission.

The reply is not acceptable as audit observation was made based on the date of calamity occurrence and MHA had directed that relief to victims of disasters from April 2015 should be disbursed for the revised items and norms of assistance. Therefore, whether the funds were of 13th or 14th Finance Commission, were not a relevant criterion for disbursement of relief.

2.3.12 Capacity Building, Manpower and Monitoring Mechanism

2.3.12.1 Mock Drills, Trainings and Awareness Programmes

Paragraph 10.1 of National Disaster Management Plan envisage conduct of trainings, mock drills and exercises which are crucial in disaster preparedness, awareness creation and evaluation of the operational aspects of the Disaster Management Plan (DMP). Paragraph 10.2 further stipulated maintenance of mandatory annual training calendars and conduct of regular mock drills at least twice a year to test the DMP to increase its operational efficiency by involving all stakeholders and rectify gaps noticed. NDMA had recommended³⁹ regular conduct of mock drills, trainings for doctors and paramedics to handle mass casualty and improvement in communication, alert or warning system in the light of the gaps noticed during conduct of State wide mock drills by NSDMA.

Examination of records revealed that NSDMA and DDMA's conducted two State wide mock drills (Nagaland Emergency Preparedness Exercise 2017 and 2018), 12 location specific mock drills and 36 trainings or awareness programmes on Disaster Management in the State during 2014-19 as shown below:

Table 2.20 showing details of works

Year	Mock drills	Target group	No. of Training and awareness	Target group
2014-15	1	Line Departments, students and public	N/A	N/A
2015-16	3	Students and public	4	Youths, Government officials and public
2016-17	7	Police personnel, students and public	7	Youths, HG & CD personnel, Line Departments and public
2017-18	2	Line Departments, students and public	13	Youths, Government officials and public
2018-19	1	Line Departments, students and public	12	Teachers, students, Anganwadi workers, youths and public
Total	14		36	

(Source: NSDMA and DDMA's records)

As can be seen from above table, NSDMA/DDMA's could conduct only one mock drill each during 2014-15 and 2018-19. Audit observed that there was no approved training calendar for 2014-16 and 2018-19, and doctors or paramedics were not imparted basic training on DM. NSDMA was yet to set up a proper communication augmentation plan with the State police and Central para-military forces besides, a dedicated alert or warning system for deployment during major disasters.

These shortcomings can create confusion and increase further casualties during major disasters as corrective measures were not taken on the gaps noticed or recommendations made.

³⁹ No. 5-36/2013-Mit dated 17.12.2015 and No.02/206/Ops/2018/-Pt dated 06.07.2018

In reply, NSDMA stated (October 2019) that communication system was yet to be streamlined as it requires effort from all line Departments and the Department of Information and Public Relations, GoN had been directed to set up sirens or loud speakers in strategic locations.

2.3.12.2 India Disaster Resource Network

India Disaster Resource Network (IDRN) is a nation-wide web based platform initiated by MHA, GoI (2004) and hosted by National Informatics Centre (NIC), New Delhi, for managing the inventory of equipment, skilled human resources and critical supplies for emergency response. Primary focus of IDRN portal (<http://www.idrn.gov.in>) is to enable the decision makers to find information on availability of equipment and human resources required to combat any emergency situation. This database will also enable them to assess the level of preparedness for specific disasters.

Paragraph 3.11.1 of Standard Operating Procedure (SOP) for Responding to Natural Disasters (RND), 2010 requires the State Governments to ensure that necessary entries have been made in the web-portal and updated at least once in a month by the designated District Authorities⁴⁰.

The IDRN database status report (June 2019) of all the districts in the State is shown below:

Table 2.21 showing status of updation in IDRN database

Sl. No	District	Status of updation as of June 2019	Year/ months since not updated
1	Peren	Information not uploaded	
2	Kiphire	May 2006	13 years
3	Zunheboto	November 2006	12 years 6 months
4	Wokha	August 2007	11 years 9 months
5	Longleng	July 2015	3 years 10 months
6	Phek	September 2015	3 years 8 months
7	Mon	October 2015	3 years 7months
8	Tuensang	October 2015	3 years 7months
9	Dimapur	August 2017	1 year 9 months
10	Mokokchung	October 2017	1 year 7 months
11	Kohima	March 2019	2 months

(Source: IDRN portal)

As seen from above table, Peren district did not upload inventory of resources available in the district in the IDRN portal. The other districts also did not update the information on a monthly basis. It can be seen that Kiphire, Zunheboto and Wokha districts did not update data for more than 11 years. Similarly, Longleng, Phek, Mon and Tuensang districts did not update data for more than three years. In the absence of regular updates, the available information would be of little use during emergencies.

⁴⁰ District Collector/ Magistrate is the authorised officer for facilitating data collection and updation.

Audit observed that directives to update the inventory of resources were issued by NSDMA to DDMA, however, DDMA failed to update inventory on a regular basis.

Non availability of latest information about Disaster Management Resources would delay effective and rapid response to disaster situations, which is critical for saving lives.

The Government while accepting the facts stated (November 2019) that NSDMA is in constant touch with the District for regular updating of IDRN for ready reference during emergency.

2.3.12.3 Emergency Operation Centres

Emergency Operation Centres (EOCs) are central command and control facilities which function as the nerve centres for coordination and management of disasters. Paragraphs 3.1.1, 3.1.4 and 3.1.5 of SOP for RND, 2010 states that EOCs shall be set up at National, State and District levels with requisite facilities. They shall have a fail proof communication network which should be connected to the National EOC or control room of MHA to ensure voice, data and video transfer. The District EOCs should be connected with the respective State EOC/control room. All these EOCs should be manned by trained personnel on 24x7 basis so that they are functional round the year.

Paragraphs 6.8 and 6.9 of the National Disaster Management Guidelines (NDMG), 2012 requires the State and District EOCs to have all the information relating to the forecasting and warning of disasters, action plans for implementation and details of contact points from various concerned agencies. The EOCs should have updated information of all resources and contingency plans for quick interaction during an emergency.

Paragraphs 7.1 and 7.2 of the NDMA Guidelines further stipulated that EOCs should be provided with an operating room where all disaster management operations are planned, managed and executed. They should be equipped with requisite communication network, documentation facilities, provision of adequate pantry, washroom and restroom for the staff manning the EOCs.

The following were observed on the functioning of EOCs in the State:

(i) State Emergency Operation Centre

Examination of records revealed that NSDMA had identified (February 2012) the land for the NSDMA Secretariat and State Emergency Operation Centre (SEOC) near the main entrance of the State Civil Secretariat.

Further examination of records revealed that the State Level Mock Exercise on Earthquake Disaster in Nagaland was held during April 2018. NDMA observed that the SEOC was located away from the State Civil Secretariat and Police Headquarter with limited parking space. Responsible officers and other key line department officials had to travel from other end through heavy traffic. NDMA, therefore, recommended (July 2018) relocation of SEOC to a location which was easily approachable by key functionaries likely to be involved in the event of major disasters.

Joint inspection (August 2019) revealed that the SEOC was yet to be relocated and is operating from a rented building. The SEOC was manned on 24x7 basis by six personnel from the Department of Home Guards & Civil Defence. Live testing of the four digits Emergency Helpline Number “1070” revealed that the toll-free number was operational only on BSNL network and inoperative on other two network service providers i.e. Reliance Jio and Bharti Airtel.

Audit also noticed that the SEOC has no facility for video conferencing with NDMA and District EOCs. Other modes of communication i.e. data and voice were in place. Information on available medical facilities, IDRN inventory details of the districts, relief materials or shelters in stock, State emergency contingent plan and details of NGOs or Community First Responders which can be availed or utilised on short notice were not in place at the SEOC as required in the NDMG, 2012.

The Government while accepting the facts stated (November 2019) that SEOC located at the Old Secretariat Building was burnt down during the public protest (February 2017) for the Urban Local Bodies election. Relocation of SEOC has been made at Kohima Lotha Hoho building on rent. The SEOC is manned 24/7 with the minimum communication sets with the support of NDMA. Due to non-availability of sufficient resources, SEOC could not be re-equipped after the fire incident.

(ii) District Emergency Operation Centres

Examination of records and joint inspection (June-August 2019) in four test checked districts revealed that District Emergency Operation Centre (DEOC) were not set up in two (Zunheboto and Kohima) out of the four selected districts. Audit noticed that a single room attached to Deputy Commissioner’s Office was designated as DEOC in the other two selected Districts (Dimapur and Peren) without requisite workspace and facilities for District Project Associate to operate on 24x7 basis. The DEOCs in both the districts were manned by the District Project Associate. Vital information such as contact details of important functionaries, hazard and geographical maps of the district were not in place at the DEOCs.

The absence of basic facilities and vital information at the EOCs would hamper coordination and management of disasters and it reflect the ill-preparedness of NSDMA in the event of disasters.

The Government while accepting the facts stated (November 2019) that given the lack of space in all the District administration offices/ DDMA and also lack of non-available created post and manpower, the DEOCs have been a concern for NSDMA. However, NSDMA is putting all efforts to operationalised DEOC in all the districts.

2.3.12.4 Non-maintenance of Stock Register of SDRF equipment

As per Rule 208 of GFR 2017, all materials received from suppliers should be counted and inspected at the time of receipt to ensure that correct quantities and specified quality is supplied by the suppliers. All details of the material so received should thereafter be entered in the appropriate stock register, preferably in an IT-based system. The officer-

in-charge should further certify that the material was actually received and recorded in the stock registers.

Examination of records revealed that the NSDMA did not maintain any stock registers or inventory for the search and rescue equipment procured and received from the suppliers. The materials for ₹ 6.69 crore procured during 2018-19 had not been accounted in the Stock Register. The Government while accepting the fact, stated (November 2019) in reply that it was burnt down during mob arson in February 2017 and the Stock Register was not maintained after that.

The NSDMA may ensure that Stock Register was maintained for materials procured for calamities/rescue operations.

2.3.12.5 Shortfall in quarterly meetings of NSDMA, SEC and DDMA

As per Rules 4, 10 and 17 of the NSDM Rules, 2007 various authorities and committee at both the State and District levels should conduct quarterly meeting to review Disaster Management activities in the State.

Examination of records revealed that mandatory quarterly meetings as stipulated were not conducted at various levels as detailed below:

Table 2.22 showing shortfall in quarterly meetings

Sl. No.	Level	Quarterly meetings to be conducted during 2014-19	Quarterly meetings actually conducted	Shortfall (in No)	Shortfall (%)
1	NSDMA	20	2	18	90
2	SEC	20	4	16	80
3	Kohima DDMA	20	6	14	70
4	Dimapur DDMA	20	8	12	60
5	Peren DDMA	20	3	17	85
6	Zunheboto DDMA	20	13	7	35

(Source: NSDMA and DDMA records)

As seen from above table, there was shortfall of quarterly meetings ranging from 35 per cent to 90 per cent. NSDMA and SEC could conduct two and four review meetings respectively during 2014-19 reflecting poor monitoring at the highest level.

Examination of the meeting minutes revealed that SEC approved (June 2012) internal audit on SDRF by NSDMA and also agreed (January 2017) that all the proposals/reports of damage caused by natural calamities submitted to NSDMA should be implemented through the DDMA in collaboration with the concerned line department in the district. Further, NSDMA approved (July 2018) establishment of the SDMF.

Audit, however, observed that internal audit started only in April 2019 and resolutions adopted by SEC/NSDMA on implementation structure and establishment of SDMF had not materialised (September 2019).

The Government while accepting the facts stated (November 2019) that the shortfalls of quarterly meetings were due to the political instability in some periods. However, Disaster Management in the State is a daily affair and was monitored at the highest level as all the issues related to disaster management especially the policy matters were approved by the Chief Minister and Chief Secretary.

The reply is not acceptable as the powers of the State Authority exercised by the Chairperson during emergency under Section 18 of the DM Act, 2005 shall be subjected to *ex post facto* ratification of the State Authority.

2.3.13 Conclusion

The State of Nagaland forms part of the most severe seismic zone in the country referred to as very High Damage Risk Zone. An audit of the Disaster Management in the State revealed that there was no planned activity for disaster preparedness during the period 2014 to 2019 either at the State, District, or Sub Divisions and Village level. The State Disaster Management Plan and District Disaster Management Plans (2012-13) had not been approved by the State Disaster Management Authority and neither did the line departments prepare their Disaster Management Plans. The State Government had not established the District Disaster Response Fund, State Disaster Mitigation Fund and District Disaster Mitigation Fund in the State. Non-fulfilment of these requirements was not only in contravention of the Disaster Management Act, 2005 but would impact the State's preparedness and response to disasters and calamities.

Structural designs of buildings for protection against cyclone/wind storm, earthquake, landslide, etc. were not enforced, as the Nagaland Building Bye-Laws, 2012 were not implemented by the State Government.

As regards financial management, the Nagaland State Disaster Management Authority (NSDMA) received funds of ₹ 351.05 crore of which ₹ 327.57 crore were spent during the period. However, the accounting systems were deficient to the extent that surplus funds were not invested as per the guidelines and Cash Book had not been maintained. Funds of ₹ 28.59 crore were not spent entirely by the test-checked DDMA's and there were instances of delays ranging from seven to 69 days in transfer of funds (Central plus State share) to SDRF during 2015-19.

Internal Control Systems were weak as stock registers for equipment, measurement books for works carried out were not maintained.

Works stated to have been executed by the Authority (NSDMA) to the tune of approximately ₹ 60 crore, were either not found on joint physical verification or there were no measurement books for verification of the scope of the works executed. Further, the NSDMA had short disbursed relief payable to 2,590 victims of disaster, by denying relief to them at the revised applicable rates.

The NSDMA, SEC and DDMA's did not regularly conduct quarterly review meetings for disaster preparedness. NSDMA/DDMA's could conduct only one mock drill each during 2014-15 and 2018-19 and inadequate awareness/training programmes showing lack of preparedness to handle disaster situations. The India Disaster Resource

Network, a nationwide platform for managing equipment/ resources available for emergency responses had not been updated by the NSDMA. The State Emergency Operation Centre was operating from a rented building in Kohima without any Video Conferencing facilities and neither was it equipped with State emergency contingent plan nor with details of NGOs/ first responders to be contacted in event of disasters. The District Emergency Centres were also not equipped with basic facilities and vital information and were thus ill prepared to tackle disaster events.

The State Disaster Management Authority is not adequately geared up to handle disaster issues in the State as there are no plans, it lacks robust organisation, capable and fully equipped manpower to deal with eventuality of any major disasters in the State.

2.3.14 Recommendations

- State Government may constitute SDMF, DDRF and DDMF as envisaged in the DM Act, 2005.
- NSDMA may ensure spending of sanctioned funds and investment of unspent balances as per SDRF/NDRF guidelines. Cash Book and other mandatory records relating to stocks/equipment as prescribed under codal provisions should be maintained on priority.
- The State Government may take the necessary steps for implementing the Nagaland Building Bye Laws 2012, in interest of safety of Buildings in the State.
- In case of disasters affecting the citizens, it may be ensured that Compensation is paid to them as per the latest NDRF guidelines as applicable.
- Conduct mock drills regularly amongst citizens and Government Departments as envisaged in the plans/guidelines.
- The Emergency Operation Centres at Kohima and in the districts may be made fully functional with requisite facilities to ensure full preparedness to handle disaster issues.

FINANCE DEPARTMENT (Directorate of Treasuries & Accounts)

2.4 Fraudulent/ excess drawal of money

Failure of the Drawing and Disbursing Officers and Treasury Officers to exercise prescribed checks resulted in fraudulent/double/excess drawal of ₹ 5.16 crore out of which ₹ 4.94 crore was yet to be deposited.

Rule 66, Sub-clause 3, of the Central Government Account Receipts and Payment Rules, 1983 prescribes that entries in all money columns of the pay bills are to be totalled separately under each section and parts, to arrive at the total entitlements as well as net payable after statutory deductions. Section wise totalling of the pay bills must be checked by the Drawing and Disbursing Officer (DDO) himself or by some responsible official other than the person preparing the bill.

Rule 22 of the Central Treasury Rules states that the Treasury Officer shall be responsible to the Accountant General for acceptance of the validity of a claim against which he has permitted withdrawal and for evidence that the payee has actually received the sum withdrawn. Rule 23 of the Central Treasury Rules prescribes that the Treasury Officer shall obtain sufficient information as to the nature of every payment he is making and shall not accept a claim which does not formally present that information unless there are valid reasons which he shall record in writing for omitting to enquire it. Rule 24 of the Central Treasury Rules further states that the Treasury Officer may correct an arithmetical inaccuracy or an obvious mistake in any bill presented to him for payment.

Further, according to Rule 276 of the Central Treasury Rules, while drawing any arrear bill, the Drawing Officer shall record the certificates on the arrear bill under his dated signature to the effect that (i) no part of the amount claimed has been drawn previously; and (ii) a note of the arrear claim has been made in the office copy of the bill or the pay bill register for the period to which the claim pertains.

The State of Nagaland has adopted the above Rules. Test check of pay bill vouchers of various Departments by audit revealed that 42 DDOs of 22 Departments (**Appendix-1.5**) had misappropriated ₹ 5.16 crore by fraudulent drawal of pay and allowances. The money was withdrawn against bogus employees, excess drawal by inflating net total of pay bills, double drawal of pay and allowances, arrears etc. The Department recovered ₹ 0.22 crore and deposited it into Government account, after it was pointed out in audit. Details of the modus-operandi are given in the following paragraphs.

2.4.1 Fraudulent drawal of pay & allowances and arrears against bogus employees and submission of fake challan details to audit

It was observed that three DDOs of three Departments fraudulently drew funds of ₹ 41.23 lakh on six bills as pay and allowances against 70 bogus employees. Further,

two DDOs of two Departments fraudulently drew ₹ 23.46 lakh in 24 bills as HRA & pay arrears against 44 bogus employees and nine non-entitled employees.

On this being pointed out, two DDOs⁴¹ partially recovered ₹ 4.68 lakh (**Appendix-1.6**) and deposited into Government account. In the case of the Executive Engineer, Water Resources Department, Mokokchung, the Government replied that the then Executive Engineer drew ₹ 23.81 lakh to meet the expenditure incurred during emergency electrification in the E.E's Office building due to short circuit, TA/Travelling expenditure for monitoring of project site and salvaging the damaged minor irrigation projects during monsoon season. The DDO had recovered ₹ 3.00 lakh and deposited (January 2020) it into Government account and requested to allow him to recover the fraudulent drawal of money on instalment basis. The reply seeks to legitimise an illegal and fraudulent act, which is unacceptable.

The General Manager, District Industries Centre, Zunheboto along with reply (September 2019) submitted a treasury challan of ₹ 7.74 lakh in support of depositing the amount into the Government account. However, on verification of the challan, it was observed that the challan was not accounted for in the monthly accounts of the treasury, and hence the authenticity of the challan could not be vouchsafed.

No replies were received (July 2020) from the remaining two DDOs⁴².

In all the above five cases, the DDOs concerned did not record the certificates on the arrear bills under his/her dated signature after ensuring to the effect that (i) no part of the amount claimed in the bill had been drawn previously; and (ii) a note of the arrear claim has been made in the office copy of the bill or the pay bill register for the period to which the claim pertains while drawing the arrear bills. Similarly, the Treasury Officers also did not obtain sufficient information as to the nature of every payment as per the bills presented to him/her for payment. The blatant and widespread failure of the DDOs and Treasury Officers in complying with the provisions under Central Treasury Rules and Receipt and Payment Rules indicates possible collusion for fraudulent drawals.

2.4.2 Cases of Excess/Fraudulent drawals

There were instances of excess/ fraudulent drawal by inflating net total of pay bills, double drawal of pay & allowances including arrears, excess drawal by inflating basic pay in pay bills and arrear bills and fraudulent/inadmissible drawal of pay & allowances including arrears as detailed below:

⁴¹ Executive Engineer, Water Resources Department, Mokokchung (₹ 3.00 lakh out of ₹ 23.81 lakh); Deputy Chief Veterinary Officer, Pughoboto (₹ 1.68 lakh out of ₹ 20.10 lakh)

⁴² Principal, Women Industrial Training Institute, Dimapur and Superintendent of Excise & Prohibition, Mon

Objections	Audit observations
<p>Excess drawal by inflating net total of pay bills</p>	<p>It was observed that four DDOs of four Departments had drawn funds of ₹ 153.25 lakh in 49 pay bills by irregularly inflating the net total amount where the actual admissible amount was ₹ 135.57 lakh. This resulted in excess drawal of ₹ 17.68 lakh between the period December 2011 to August 2017 (Appendix – 1.7). On being pointed out, one DDO⁴³ partially recovered ₹ 0.40 lakh out of the actual excess funds of ₹ 4.55 lakh.</p> <p>No replies were received (July 2020) from the remaining three DDOs.</p>
<p>Double drawal of pay & allowances including arrears</p>	<p>It was observed that nine DDOs of four Departments fraudulently drew funds of ₹ 100.61 lakh in 26 bills pertaining to the period January 2016 to February 2018 (Appendix-1.8) being pay & allowances and arrear bills which were already drawn in regular bills. This resulted in fraudulent drawal of ₹ 100.61 lakh.</p> <p>No replies were received (July 2020) from all the DDOs.</p>
<p>Excess drawal by inflating basic pay in pay bills and arrear bills</p>	<p>It was observed that nine DDOs of six Departments had drawn funds of ₹ 4872.30 lakh in 78 bills by inflating the basic pay of the employees whereas the actual admissible amount was ₹ 4680.09 lakh. This resulted in excess drawal of ₹ 192.21 lakh (Appendix – 1.9) pertaining to the period January 2016 to February 2018.</p> <p>On being pointed out, the Mechanical Engineer, PWD, Mechanical Division, Tuensang while accepting the fact (August 2019) stated that the fund was utilised for repair of Division and Sub-Division Office building. The reply seeks to legitimise an irregular act which is unacceptable. In the case of Executive Engineer, PWD (R&B), Atoizu, the Government in reply accepted (June 2020) the fact and stated that there was an excess drawal of ₹ 13.84 lakh due to wrong fixation of basic pay of the employees and assured that the excess drawal would be recovered and intimated to audit.</p> <p>No replies were received (July 2020) from the remaining seven DDOs.</p>

⁴³ Superintendent of Excise & Prohibition, Dimapur: Recovered ₹ 0.40 lakh out of excess drawal of ₹ 4.55 lakh.

<p>Fraudulent/inadmissible drawal of pay & allowances including arrears</p>	<p>It was observed that 20 DDOs of 16 Departments fraudulently drew funds of ₹ 140.84 lakh in 88 arrear bills during the period November 2016 to March 2018 (Appendix-1.10) on the basis of fictitious due and drawn statement and for those employees who were not entitled to draw arrears.</p> <p>On being pointed out, one DDO⁴⁴ fully recovered ₹ 2.27 lakh and three DDOs⁴⁵ partially recovered ₹ 15.06 lakh and deposited into Government account.</p> <p>The Senior Treasury Officer, Wokha in reply (November 2019) stated that the drawal of ₹ 15.54 lakh was done during his predecessors period and has served two reminders to him but did not receive any response.</p> <p>The District Cultural Officer, Tuensang in reply (January 2020) stated that the previous cashier of the office could be drawing from the salary and other allowances without the knowledge of the DDO. However, this does not abdicate the responsibility of the DDO.</p> <p>The District Public Relation Officer, Mon in reply (August 2019) stated that there was less pay arrear from December 2011 to December 2016 in respect of one employee. However, verification of copy of service book furnished by the DDO along with the reply revealed that the basic pay recorded in the service book did not tally with the basic pay mentioned in the arrear bill. Therefore, the amount still stands recoverable.</p> <p>The Agronomist, State Seed Farm, Merapani, Wokha in reply (January 2020) stated that the amount was utilised to compensate damages caused to the farm due to incessant and unprecedented rainfall during the monsoon season. The reply legitimises the fraudulent expenditure and is silent on recovery.</p> <p>No replies were received (July 2020) from the remaining 13 DDOs.</p>
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The issue of fraudulent/ excess drawal by the DDOs by manipulating pay and allowances bills has been highlighted in previous years' Audit Reports of the

⁴⁴ District Transport Officer, Mon

⁴⁵ Superintendent, District Jail, Mon (₹ 9.76 lakh out of ₹ 9.79 lakh); Sub-Treasury Officer, Changtongya (₹ 1.70 lakh out of ₹ 2.70 lakh); Senior Treasury Officer (STO), Wokha [₹ 3.60 lakh out of ₹ 19.14 lakh (₹ 15.54 lakh + ₹ 3.60 lakh)]

Comptroller & Auditor General of India, Government of Nagaland. Details of similar cases highlighted in last five-year Audit reports are given in **Appendix-1.11**. It is a matter of grave concern that these malpractices persist despite being highlighted in past Audit Reports and Government has not taken any corrective action to strengthen the controls to obviate such misappropriation of Government money by DDOs and Treasury Officers.

Recommendations

- The amount misappropriated should be recovered immediately from the concerned employees/ DDOs/ TOs.
- Initiate strict and exemplary disciplinary action against the erring officers responsible for the fraudulent draws, so as to deter such occurrences.
- The Finance Department may complete the ongoing Treasury Computerisation in a time bound manner and the budget and expenditure against each DDO should be strictly monitored by Treasury Officers and concerned Head of Department (HoD).
- Personal Information Management System (PIMS), which among others, allocates unique employee code may be made fully functional with Aadhaar link. Sub-allocation of funds to DDOs especially under Salary Head should be linked with PFMS data.
- Rigorous internal audit systems need to be put in place in at least large departments to prevent the frequency of the fraudulent/ excess withdrawals.

2.5 Fraudulent/ excess drawal of money and submission of fake challans by DDOs

‘Fraudulent drawal of ₹ 45 lakh by seven DDOs by drawing inadmissible bills of Pay & Allowances of existing and ghost employees and submission of fake Treasury Challans’ to mislead audit

Nagaland State follows the Central Treasury Rules. As per Rule 27 of Central Treasury Rules (CTR), if a Treasury Officer receives intimation from the Accountant General that moneys have been incorrectly drawn and that a certain sum should be recovered from a drawing officer, he shall effect the recovery without delay and without regard to any correspondence undertaken or contemplated with reference to the retrenchment order; and the drawing officer shall without delay repay the sum in such manner as the Accountant General may direct. Further, Rule 28 (2) of CTR states that a government officer supplied with funds for expenditure shall also be responsible for seeing that payments are made to persons entitled to receive them.

Test check of vouchers revealed that seven Drawing and Disbursing Officers (DDOs) made fraudulent/ excess drawal of ₹ 45 lakh during 2015-16 and 2017-18 by submitting inadmissible/excess bills of Pay & Allowances of existing and ghost employees in blatant violation of provisions mentioned above. The details of such cases are mentioned below:

Audit Report for the year ended 31 March 2019

(₹ in lakhs)

Sl. No.	Name of the DDO	Audit Observation	Amt. Drawn	Reasons	Reply of DDO	Reply of Directorate of Treasuries & Accounts (February 2020)
1	District Soil & Water Conservation Officer, Tuensang	Drawal of Pay & Allowance of non-existing employees	19.22	DDO had drawn 3 additional bills of Pay & Allowances in respect of 31 non-existing employees vide bill No. 86 dated 22.7.17, 91 dated 27.2.17 and No. 93 dated 20.3.2017.	Amount drawn has been deposited vide Try. Challan No. 01 dated 4/6/2018	No such record found in the Treasury.
2	District Employment Officer, Tuensang	Drawal of Pay & Allowance of non-existing staff	6.48	DDO had drawn one bill with high basic pay and other allowances vide bill No. 53 dated nil against six non-existing staff and three unknown employees.	Amount drawn has been deposited vide Try. Challan No. 48 dated 9.7.18	₹ 6.48 lakh has been deposited by challan no 1 dt 14/3/2019. No record found in the Treasury for the challan details given by DDO.
3	Station Superintendent (SS), Nagaland State Transport, Zunheboto	Drawal of Pay & Allowance of non-existing employees	1.75	DDO had drawn pay and allowances against non-existing eight employees vide bill No. 117 and 118 dated 30.3.2017	Amount drawn has been deposited into Treasury vide Try. Voucher no. 1 of 4/6/2018.	₹ 1.74 lakh deposited by challan no 1 dt 7/12/2018. No record was found in the Treasury for challan details given by DDO.
4	Assistant Labour Commissioner, Tuensang	In-admissible HRA arrears drawn	2.59	DDO had drawn inadmissible arrears of HRA in respect of 15 employees vide bill No. 65, 66 and 67 dated 10.3.2016.	Amount drawn has been deposited vide Challan No. 1 dated 10.7.18	No such record found in the Treasury
5	Chief Veterinary Officer, Tuensang	In-admissible HRA arrears drawn	11.57	DDO had drawn inadmissible arrears of HRA in 53 bills for 60 employees for the month of March 2017.	Amount drawn has been recovered and challan is furnished herewith (deposited vide Try. Challan No. 1 dated 17.5.2018)	₹ 6.34 lakh was deposited by challan no 3 dt 14/12/2018. No record found in the Treasury for the challan details mentioned by the DDO.
6	Block Development Officer, Wozhuro, Wokha	Drawal of excess Pay and Allowances	0.50	DDO had drawn excess drawn Pay & Allowances of four employees vide 2 bills, TV No. 8 dated 1.9.16 and 21 dated 3.10.16.	Amount has been deposited vide Try. Challan No. 1 dated 20/7/2018	₹ 0.50 lakh deposited by challan no 1 dt 18/2/2019. No record found in the Treasury for the challan details mentioned by DDO.

7	Block Development Officer, Ghathashi, Zunheboto	Drawal of duplicate bills of DDA, HRA & DA	2.89	DDO had drawn duplicate bills of Difficult Area Allowance (DDA), HRA and DA in respect of 11 employees vide bills No. 52 to 64.	Recovery of fraudulent amount deposited vide Try. Challan No. Nil dated 28.2.2019	Only ₹ 500 (five hundred) deposited vide challan No.1 dated 28.2.2019.
Total			45.00			

On being pointed out, Drawing and Disbursing Officers (DDOs) stated that the excess/fraudulent drawl of ₹ 45 lakh pointed out by audit had been recovered and deposited into Government account through Treasury Challans⁴⁶. Further, verification of the treasury challans submitted by the DDOs with the Monthly Cash Account (Form TR 36) of respective treasuries submitted to Principal Accountant General (A&E) Office revealed that the amount stated to be deposited through Treasury Challans were not available in the appropriate Monthly Cash Account. Therefore, the amount stated to be recovered by the DDOs had not been actually deposited in the Treasury. Instead, the DDOs submitted fake treasury challans as deposits against misappropriated amounts to mislead audit in order to settle the audit observations. The Directorate of Treasuries & Accounts accepted the fact of dubious challan details furnished by the DDOs (February 2020). He also stated that in place of deposit of ₹ 45 lakh, as claimed by the DDOs, only ₹ 15.06 lakh was deposited in respective treasuries by DDOs, but with different challan numbers and dates and ₹ 29.94 lakh still remains to be recovered.

Recommendations

- The matter merits further vigilance and departmental action on the responsible officers for misappropriation and submission of fake challan details to audit. Balance recoveries be ensured.
- The matter requires detailed investigation by the concerned departments to unearth similar cases of misappropriation along with strengthening of controls and internal audit to obviate recurrence of such misappropriation.
- The Government requires to ensure computerisation of pay/ allowances bills at the DDO and Treasury level, including preparation of online pay bills and linking it with Aadhaar of the employees and Treasury MIS for effective control.

⁴⁶ Ch. No. 1 dated 4.6.2018 (₹19.22 lakh), Ch. No. 48 dated 9.7.2018 (₹ 6.48lakh), Ch. No. 1 dated 10.7.2018 (₹ 2.59lakh), Ch. No. 1 dated 17.5.2018 (₹ 11.57 lakh), Ch. No. 1 dated 4.6.2018 (₹ 1.75 lakh), Ch. No. 1 dated 20.7.2018 (₹ 0.50 lakh) and Ch. No. Nil dated 28.2.2019 (₹ 2.89 lakh).

