

TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph (s)	Page (s)
Preface		vii
Overview		ix
CHAPTER I – INTRODUCTION		
About this Report	1.1	1
Profile of the Office of the Principal Accountant General (Audit), Nagaland	1.2	1
Planning and conduct of Audit	1.3	2
Significant Audit Observations	1.4	3
CHAPTER II – SOCIAL SECTOR		
Introduction	2.1	5
Performance Audit		
MUNICIPAL AFFAIRS DEPARTMENT		
Kohima Smart City Mission	2.2	6
Compliance Audit Paragraphs		
MUNICIPAL AFFAIRS DEPARTMENT		
Idle investment	2.3	33
URBAN DEVELOPMENT DEPARTMENT		
Unfruitful expenditure	2.4	34
CHAPTER III – ECONOMIC SECTOR		
Introduction	3.1	39
Performance Audit		
AGRICULTURE DEPARTMENT		
Implementation of Pradhan Mantri-Kisan Samman Nidhi Scheme in Nagaland	3.2	40
Subject Specific Compliance Audit		
PLANNING AND CO-ORDINATION DEPARTMENT		
Review of Ministry of Development of North Eastern Region funded under Non Lapsable Central Pool of Resources and North East Special Infrastructure Development Schemes in Nagaland	3.3	67
Compliance Audit Paragraphs		
FOOD AND CIVIL SUPPLIES DEPARTMENT		
Diversion of Superior Kerosene Oil	3.4	90
AGRICULTURE DEPARTMENT		
Excess Payment	3.5	93
CHAPTER IV - GENERAL SECTOR		
Introduction	4.1	97
Subject Specific Compliance Audit		
FINANCE DEPARTMENT		
Funds released under Special Assistance – Creation of Capital Assets	4.2	98
Compliance Audit Paragraphs		
FINANCE (TREASURIES & ACCOUNTS) DEPARTMENT		
Fraudulent/ excess drawal of money	4.3	121
PUBLIC WORKS (MECHANICAL) DEPARTMENT		
Unauthorised diversion of funds from Salary head	4.4	124

Particulars	Reference to	
	Paragraph (s)	Page (s)
HOME (VILLAGE GUARDS) DEPARTMENT		
Unauthorised drawal of additional Ration Allowance	4.5	126
CHAPTER V – REVENUE SECTOR		
Trend of revenue receipts	5.1.1	129
Analysis of arrears of revenue	5.1.2	131
Arrears in assessments	5.1.3	131
Cases of evasion of tax detected by the Department	5.1.4	131
Response of the Government / Departments towards Audit	5.1.5	132
Analysis of the mechanism for dealing with the issues raised by Audit	5.1.6	134
Recovery in cases accepted by the Departments	5.1.7	134
Audit Planning	5.1.8	136
Results of Audit	5.1.9	136
Coverage of this chapter	5.1.10	136
Compliance Audit paragraphs		
FINANCE (TAXATION) DEPARTMENT		
Loss of revenue due to non-assessment of returns	5.2	136
Irregular claims of concessional rate of tax on statutory 'C' forms	5.3	139
Evasion of tax	5.4	142
CHAPTER VI – ECONOMIC SECTOR (PUBLIC SECTOR UNDERTAKINGS)		
Introduction	6.1.1	147
Investment in PSUs	6.1.2	147
Reconciliation with Finance Accounts	6.1.3	149
Accountability framework	6.1.4	150
Arrears in finalisation of accounts	6.1.5	150
Investment by State Government in PSUs whose accounts are in arrears	6.1.6	151
Special support and guarantees to PSUs during the year	6.1.7	152
Performance of PSUs as per their latest finalised accounts	6.1.8	152
Return on Investment on the basis of Present Value of Investment	6.1.9	155
Impact of Audit Comments on Annual Accounts of PSUs	6.1.10	155
Follow up action on Audit Reports	6.1.11	156
Reforms in Power sector	6.1.12	157
Performance Audit		
POWER DEPARTMENT		
Implementation of Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (Saubhagya)	6.2	157
CHAPTER VII – FOLLOW UP OF AUDIT OBSERVATIONS		
Response of the Departments to the recommendations of the Public Accounts Committee	7.1	179
Monitoring	7.2	179
Outstanding Inspection Reports	7.3	179
Departmental Audit Committee Meetings	7.4	180

APPENDICES

Appendix	Subject	Page
2.2.1 (A)	Statement showing the details of 54 projects identified under Kohima Smart City Mission as of July 2022	183
2.2.1 (B)	Statement showing the details of financial progress <i>vis-à-vis</i> physical progress as of July 2022	187
2.2.2	Statement showing TDS of Income Tax to be deducted from the three companies	191
2.2.3	Statement showing details of payment made before actual execution of the work	192
2.2.4	Statement showing activity-wise time schedule	193
2.2.5	Statement showing projects implemented without involvement of the PMC	193
3.2.1	Statement showing details of the sample selection	194
3.2.2	Number of registered farmers missing in the village eligible beneficiary list, farmers records without land holdings and Father's/ Husband's name information in the sampled villages of four test-checked districts	195
3.2.3	District-wise ineligible beneficiaries detected by the implementing Department as of September 2021	196
3.2.4	District-wise income tax payee farmers as of September 2021	197
3.2.5	Serving and retired officers and employees of State Government registered under PM-KISAN Scheme	197
3.2.6	Ineligible beneficiaries noticed out of the sampled beneficiaries	198
3.2.7	Details of 26 beneficiaries out of the sampled beneficiaries certified by the Village Councils as untraceable or did not own any cultivable land in the villages	199
3.2.8	Statement showing district-wise number of Aadhaar disabled or never enabled for DBT	200
3.2.9	Statement showing district-wise extent of coverage on five <i>per cent</i> physical verification of beneficiaries	201
3.2.10	Multiple beneficiaries having the same IFSC and Bank Account Number	202
3.2.11	District-wise Grievances redressal status as of September 2021	203
3.2.12	District-wise extent of coverage of the Scheme as of March 2021	204
3.3.1	Statement showing status of four selected projects as of March 2021	205

Appendix	Subject	Page
3.3.2	Statement showing submission of incorrect UCs	207
3.3.3	Statement showing status of completed and delay in completion of projects under NLCPR & NESIDS as of March 2022	208
3.3.4	Statement showing unexecuted/ short executed items of work	210
3.4.1	Statement showing year-wise Superior Kerosene Oil (SKO) lifted by the Food & Civil Supplies Department, Government of Nagaland (through the authorised SKO agencies) from the IOCL during 2019-21 for distribution under the Public Distribution System, Nagaland	211
3.4.2	Statement showing District-wise SKO allocated by the State Government, actual quantity received and distributed/ utilised under PDS for the year 2019-20 and 2020-21	212
3.5.1	Details of supply orders, suppliers' bills and amount paid to the suppliers under "Promotion of Farm Machinery and Equipment in North Eastern States" SMAM 2018-19	214
3.5.2	Statement showing details of Brush cutter imported by the supplier M/s H. T. Enterprises, Dimapur (M/s Hyusinlo Thong) under "Promotion of Farm Machinery and Equipment in North Eastern States" SMAM 2018-19	215
4.2.1	Statement showing the details of total project cost, financial progress <i>vis-à-vis</i> physical progress under Special Assistance as of May 2022	216
4.2.2 (A)	Statement showing bills drawn against fake invoices by PWD (R&B), South Division, Kohima	217
4.2.2 (B)	Statement showing bills drawn against Duplicate invoices by PWD (R&B), South Division, Kohima	219
4.3.1	Statement showing Department-wise list of double/ excess/ fraudulent drawals	220
4.3.2	Statement showing excess drawal by inflating the net total of pay bills	221
4.3.3	Statement showing double drawal of pay & allowances including arrears	222
4.3.4	Statement showing Fraudulent inadmissible drawal of pay & allowances including arrears	223
4.3.5	Statement showing fictitious drawal by manipulating the bills	227
4.3.6	Statement showing fictitious drawal of TA bills	228
4.3.7	Statement showing details of similar cases highlighted in the last five years Audit Reports	229

Appendix	Subject	Page
4.3.8	Statement showing details of department-wise cases of irregularities highlighted in the last five years Audit Reports	230
4.4.1	Details of Travelling Allowance paid to Work-Charged employees by diverting funds from salary bills during 2018-20	232
4.5.1	Statement showing details of regular and additional monthly Ration Allowance bills drawn by three DDOs	239
5.2.1	Details of inter-State purchase and stock transfer in C form and F form for the year (tax period) 2015-16	241
6.1.1	Statement showing Investments by the State Government in State Public Sectors Undertakings whose accounts are in arrears	243
6.1.2	Statement showing summarised financial results of Government Companies for the latest year for which accounts are finalised as on 30 September 2022	244
6.1.3	Statement showing Rate of Real Return on Government Investment	246
6.2.1	Sampling Methodology adopted for test check	247
6.2.2	Statement showing interest remittance by DoPN	250
6.2.3	Statement showing details of payment made to PMA by DoPN (as of September 2021)	251
6.2.4	Statement showing details of delay in award of contracts	252
6.2.5	Statement showing comparative cost of energy meters	253
6.2.6	Statement showing amount sanctioned for awareness programme	255
6.2.7	Statement showing status of Quality Monitoring Inspections	256