

## CHAPTER II SOCIAL SECTOR

### 2.1 Introduction

This Chapter of the Audit Report deals with audit findings on functioning of the Government departments falling under the Social Sector.

The names of the Government departments, total budget allocation and expenditure of the Government under the Social Sector during the period 2020-21 and 2021-22 are given in the table below:

**Table No. 2.1: Departments, budget allocation and expenditure under Social Sector during 2020-22**  
(₹ in crore)

Sl. No.	Name of the Department	Total Budget Allocation		Expenditure	
		2020-21	2021-22	2020-21	2021-22
1	Culture Department	55.52	38.90	36.57	38.79
2	Ecclesiastical Affairs	21.52	41.52	9.44	40.93
3	Education Department	1,553.18	1,574.56	1,313.98	1,377.04
4	Food and Civil Supplies	48.40	37.87	31.11	29.69
5	Health Department	757.46	647.86	639.14	623.68
6	Labour Department	6.13	7.12	5.78	6.9
7	Social Justice, Empowerment and Welfare	328.04	362.75	237.68	280.39
8	Sports and Youth affairs	61.37	29.49	53.00	27.60
<b>TOTAL</b>		<b>2,831.62</b>	<b>2,740.07</b>	<b>2,326.70</b>	<b>2,425.02</b>

Source: Appropriation Accounts

Besides the above, the Central Government had been transferring funds directly to the implementing agencies under the Social Sector. The major transfers for implementation of flagship programmes of the Central Government are as detailed below:

**Table No. 2.2: Major transfers for implementation of flagship programmes of the Central Government**

Sl. No.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the period	
				2020-21	2021-22
1	Social Justice, Empowerment and Welfare	Aid to Voluntary Organisations working for the Welfare of Scheduled Tribes.	Muyal Liang Trust (MLT)	9.47	0.00
			Human Development Foundation of Sikkim (HUMANSIKKIM)	0.00	27.18
		Research/Studies and Development of Schemes for Minorities	Primitive Tribe Welfare Board	25.00	0.00
		Scheme for differently Abled persons	DDRC Gangtok	12.00	0.00
			Unique Disability Identity	0.00	9.00
		Top class education for SCs	NIT Sikkim	6.03	4.04

Sl. No.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the period	
				2020-21	2021-22
		National Fellowship and Scholarship for Higher education of ST students	NIT Sikkim	0.00	1.28
		Samarthya BBBP Creche PMMVY Gender Budget Research Sikkim	District Collector, BBBP, North Sikkim	0.00	22.2
		Sambal (One Stop Centre Mahila Police Volunteer Women Helpline)	DC, OSC, South Sikkim, Social Justice Empowerment and Welfare	0.00	137.61
		Designing Innovative Solutions for Holistic Access to Justice in India	Sikkim State Commission for Women	0.00	19.48
2	Education Department	Atal Innovation Mission	Government Senior Secondary School	12.00	0.00
		Atal Innovation Mission (AIM) including Self Employment and Talent Utilization (SETU)	AIC SMU Technology Business Incubation Foundation	170.00	0.00
			Eklavya Model Residential School Swayem North Sikkim	0.00	12.00
		R & D in IT/Electronics/CCBT	National Institute of Technology Sikkim	29.13	8.00
			NIELIT Gangtok	0.00	120.00
		Bio Technology Research and Development	Rhenock Education Society	7.02	0.00
			Sikkim University	105.16	82.84
			Sikkim Government Colleges	0.00	11.69
		Electronic Governance	Sikkim Manipal Institute of Technology	0.00	29.82
			Centre for Research & training in Informatics	0.00	173.35
3	Cultural Department	Kala Sanskriti Vikas Yojana	Khachod Pema Woeling Trust	9.04	0.00
			Himalayan Heritage Research and Development Society	5.00	7.50
			Sikkim Mahila Kalyan Sangh	2.50	0.00
			Sivik Samdup Maneylhakhang Managing Committee	12.50	0.00
			Thubten Gatsal Ling Sumin Gumpa Managing Committee	10.00	0.00
			Tingkye Gonjang Nyinngma Trust	0.00	15.00

Sl. No.	Name of the Department	Name of the Scheme/Programme	Implementing Agency	Funds transferred during the period	
				2020-21	2021-22
4	Health Care, Human Services and Family Welfare	India Covid-19 Emergency Response and health system preparedness	State Health Society Sikkim	172.00	3,152.00
		National AIDS and STD Control Programme	Sikkim State AIDS Control Society	774.24	873.62
		National Rural Health Mission	State Health Society Sikkim	0.00	983.00
		National Action Plan for Drug Demand Reduction	Association for Social Health in India	0.00	23.47
Sanjeevani Rehab Society	0.00		22.26		
5	Sports and Youth affairs Department	National Service Scheme	Sikkim State NSS Cell	101.81	113.65
		National Programme for Youth and Adolescent Development	Sports and Youth affairs Department	13.50	0.00
		Khelo India	Khelo India SYDB Sports and Youth affairs	371.00	547.22
<b>TOTAL</b>				<b>1,847.40</b>	<b>6,396.21</b>

Source: Finance Accounts

## 2.2 Planning and conduct of audit

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

After completion of audit of each unit on a test check basis, Inspection Reports (IRs) containing audit findings are issued to the heads of the departments. The departments are to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled based on reply/action taken or further action is required by the audited entities for compliance. Some of the important audit observations arising out of the IRs are processed for inclusion in the Audit Reports. The Audit Reports are submitted to the Governor of the State under Article 151 of the Constitution of India for laying on the table of the Legislature.

Test audits were conducted involving expenditure of ₹ 1,384.44 crore (including expenditure of ₹ 639.74 crore of previous years) during 2020-21 and ₹ 1,360.35 crore (including expenditure of ₹ 758.12 crore of previous years) during 2021-22 of the State Government under Social Sector. The details of year-wise break-up are given in *Appendix 2.1*.

This Chapter contains one Compliance Audit Paragraph.

COMPLIANCE AUDIT PARAGRAPH

HEALTH AND FAMILY WELFARE DEPARTMENT

**2.3 Non-realisation of lease fees and deprival of social benefits to the stakeholders**

*Health and Family Welfare Department did not realise lease fees of ₹ 4.92 crore from the Manipal Group for the land and buildings leased out to the Group since September 1998 for establishment of the Central Referral Hospital and Medical College. Further, the Department failed to ensure social benefits to citizens of Sikkim as agreed between Manipal Group and Government of Sikkim.*

With the objective of improving educational opportunities and health services in State of Sikkim, Government of Sikkim (GoS) entered into an agreement with Manipal Education and Medical Group (Manipal Group) in March 1992 to collaborate for establishment of an institute of medical sciences for medical, dental, nursing, pharmacy and allied health training courses at undergraduate, graduate and post graduate levels and to establish a referral teaching hospital. GoS agreed to provide land measuring 25 acres at 5<sup>th</sup> Mile, Tadong, Gangtok to the Manipal Group for this purpose. As per clauses 4 and 5 of the agreement, the Manipal Group was required to construct a 500 bedded referral hospital on turn-key basis, within three years (March 1995) from the date of signing the agreement for which GoS agreed to pay ₹ 30.00 crore.

On completion of construction (September 1998) of the building and other infrastructure by Manipal Group, the State Government executed (September 1998) a lease deed with the Manipal Group for leasing out the land and associated infrastructure to the Manipal Group in perpetuity. In terms of clause 1 of the Lease Deed, the State Government demised land measuring 25.113 acres as well as all the buildings and facilities standing thereon at a yearly lease fee of ₹ 15 lakh *per annum*. The lease fee was payable by the lessee on or before 31 March of every year, which was subject to enhancement by 15 *per cent* in every five years.

Audit scrutiny (March 2021) of records of Health and Family Welfare Department showed that the Department had not realised lease fee at the specified rate from Manipal Group till date. The total lease fee due but not received amounted to ₹ 4.92 crore till September 2022.

In terms of the Lease Deed, the Secretary of the Department as Lessor was responsible for ensuring timely collection of lease rent from the Lessee. The Lease Deed further envisaged that if, the Lessee fails or neglects to pay the lease fees or contravenes any clauses of the Deed, the Lessor shall be entitled to issue notice to the Lessee asking him to fulfil conditions of the Deed and in the event the Lessee fails to comply with the Lessor's demands within three months, terminate the Lease and re-enter the property in accordance with the law. Despite having such clear provisions in the Lease Deed, there

was no record of the Secretary (Lessor) having ever issued any notice to Manipal Group (Lessee) for payment of the lease fees.

Moreover, the agreement also had provisions for other social benefits viz., specialised medical facilities, concessional medical treatment, free drugs to the patients, reservations in admission for Sikkimese students, scholarships, etc. to be provided by the Manipal Group to residents of Sikkim. However, the Department had not developed any mechanism to monitor compliance to the agreed upon social benefits by the Group.

Thus, the Department failed to realise annual lease fees from Manipal Group for the land and buildings leased out to the Group which aggregated to ₹ 4.92 crore as of September 2022 nor did it monitor compliance to the provisions of the agreement in respect of social benefits.

The Department in its reply (October 2022) stated that it did not have all the details and information relating to the matter readily available with it. It was following up the matter with Manipal Group and would submit replies after comprehensive examination of the matter.

***Recommendation:*** *The Department may take necessary steps to recover lease fees from SMIMS and devise a suitable format/ returns to be submitted by Manipal Group periodically to monitor the extent of compliance with the conditions of the agreement.*

