CHAPTER-II
SOCIAL SECTOR
(including Local Government Audit)

PART-I

Performance and Compliance Audits on Departments under Social Sector

CHAPTER – II
PART-I
SOCIAL SECTOR

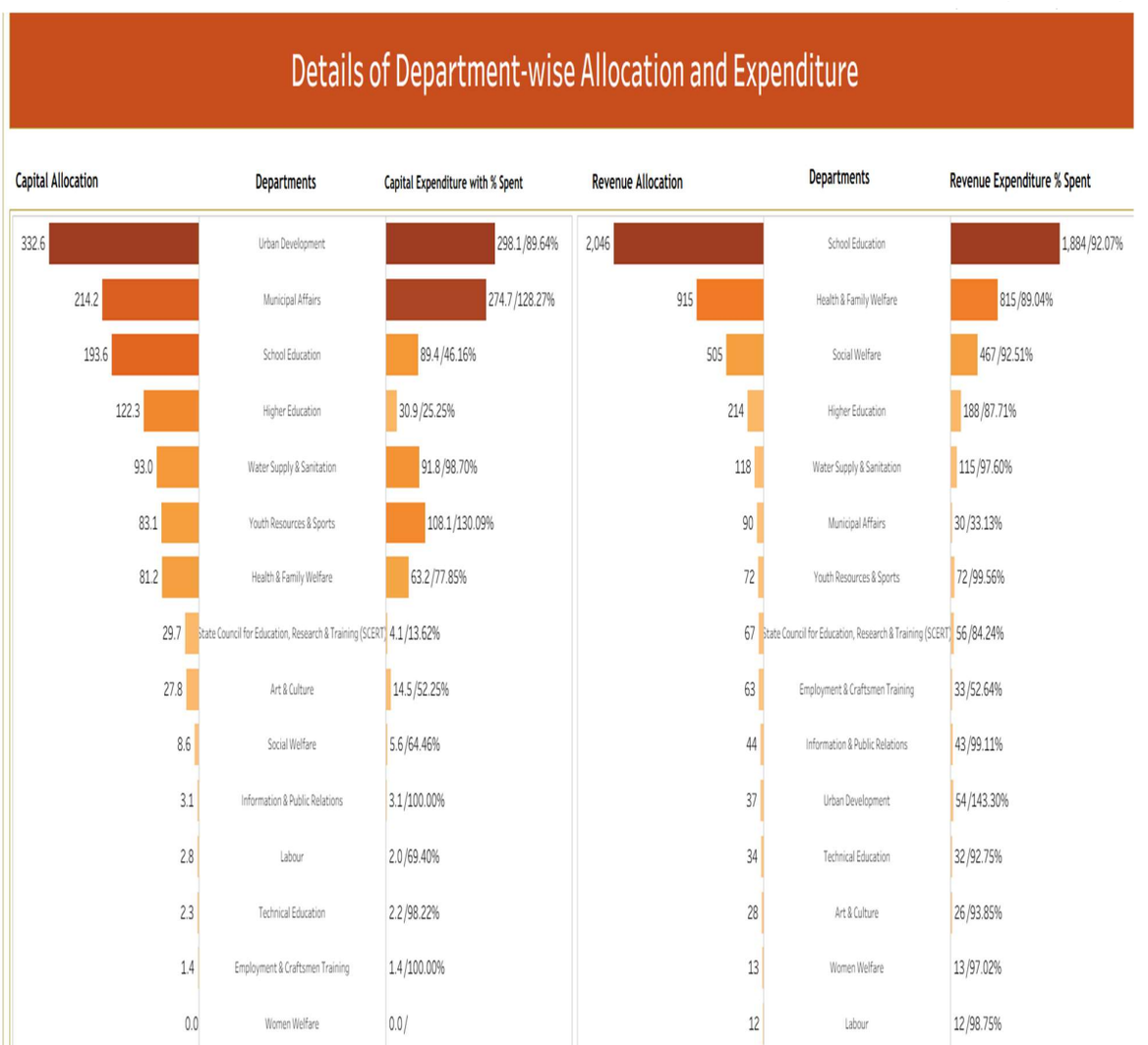
2.1 Introduction

This chapter of the Audit Report for the year ended 31 March 2024 deals with the findings on audit of the State Government units under Social Sector.

During 2023-24, total budget allocation of the State Government in the Departments under Social Sector was ₹5,453.69 crore against which actual expenditure incurred was ₹4,828.14 crore (89 *per cent)*. The Department-wise details of Budget Allocations and Expenditure incurred during 2023-24, are shown in **Heatmap 2.1.1**.

Heatmap 2.1.1: Details of Department-wise Budget Allocations and Expenditure during 2023-24.

(₹ in crore)



Source: Appropriation Accounts, 2023-24

Key Insights

1. Overall Financial Performance

- **Total Budget:** ₹5,453.69 crore
- **Total Expenditure:** ₹4,828.14 crore (**89 *per cent* utilisation**)
- **Unspent Funds:** ₹625.55 crore

2. High Utilisation

- **Youth Resources & Sports** spent **116 *per cent*** of allocation - suggests either supplementary grants or expenditure beyond approved limits.
- **Municipal Affairs** (100 *per cent*), **Information & Public Relations** (99 *per cent*), and **Water Supply & Sanitation** (98 *per cent*) achieved near-full utilisation.
- High utilisation is generally positive but over-expenditure warrants scrutiny.

3. Low Utilisation/Underperformance

- **Employment & Craftsmen Training**: 54 *per cent* utilisation - weakest performer, signalling significant implementation delays.
- **SCERT**: 62 *per cent* utilisation - poor capital fund absorption.
- **Higher Education**: 65 *per cent* utilisation - large unspent amount in both percentage and ₹ terms.

4. Major Unspent Amounts (in ₹ terms)

- **School Education:** despite high allocation (₹2,239.87 crore) and decent utilisation (88 *per cent*), still has large unspent funds in absolute terms.
- **Higher Education** and **Health & Family Welfare** each have over ₹100 crore unspent.
- This indicates that large departments, even with high utilisation percentages, can have significant leftover funds due to scale.

5. Capital *vs* Revenue Trends

- Infrastructure-heavy departments like **Urban Development** and **Municipal Affairs** show strong capital utilisation (>95 *per cent*).
- Education-related departments (**Higher Education**, **SCERT**) lag in capital expenditure, suggesting project delays.

2.1.1 Planning and Conduct of Audit

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

Audit was conducted in 101 units of five Departments involving an expenditure of ₹4,665.55 crore (including expenditure of previous years audited during the year during 2023-24) under the Social Sector.

After completion of audit of each unit, Inspection Reports containing audit findings were issued to the Heads of Departments for taking appropriate remedial measures on the audit findings. The Departments were requested to furnish replies to the audit findings within one month of the receipt of Inspection Reports. Wherever replies were received, audit findings were reviewed and either settled or further action for compliance was advised. Important audit observations arising out of the Inspection Reports were processed for inclusion in the C&AG's Audit Report, which is submitted to the Governor of the State under Article 151 of the Constitution of India, for laying before the State Legislature.

This Chapter contains audit observations on two Performance Audits *viz.* "Jal Jeevan Mission in Nagaland" and "Implementation of Integrated Child Development Services Scheme in Nagaland" and two compliance audit paragraphs.

Performance Audit

PUBLIC HEALTH ENGINEERING DEPARTMENT

2.2 Jal Jeevan Mission in Nagaland

Profile

Nagaland's topography is predominantly mountainous, with most villages located on hilltops. As a result, gravity-fed systems are the primary source of water supply across the State. However, in certain plain areas of Dimapur, Mokokchung, Mon, Wokha, and Peren districts, alternative sources such as ground water exploration are available. In some villages where neither gravity-fed systems nor ground water exploration are feasible, water is supplied through pumping. Out of the 34 villages covered in the four sampled districts, 15 villages sourced their water through gravity, 13 villages relied on groundwater exploration, 05 villages used pumping systems and 01 village depended on rainwater harvesting.

As of August 2019, Nagaland reported coverage of 13,882 Functional Household Tap Connection (FHTC). By March 2024, against the actual target of 3,63,829 households a total of 3,23,616 households was reported to be provided with tap connections, representing an achievement of 88.95 *per cent*. The achievement in the four sampled districts was reported as 82,212 households (93.44 *per cent*) against the target to cover 87,987 households.

Audit Snapshot

Why did we do this audit?

- Efficient institutional framework is in place for planning, implementation and post operational management of the schemes;
- Financial resources have been employed in an economic and efficient manner;
- Assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations; and
- Programme objectives (output and outcomes) have been achieved successfully.

What did we find?

- The Village Action Plans were prepared without conducting basic surveys.
- The supply order for materials was awarded without inviting tenders in contravention of financial rules and scheme guidelines.
- The Department reported transportation of pipes by engaging non-existent vehicles or vehicles which do not have the design capacity to transport the materials.
- Discrepancies in target and achievement in providing FHTCs in 34 test-checked villages.
- Weak Monitoring system.

Targeted FHTC- 3,63,829

Achievement of FHTC- 3,23,616

Total expenditure incurred: ₹1,376.33 crore out of ₹1,416.08

What do we recommend?

- Ensure mandatory baseline surveys and assess the needs prior to preparation of Village Action Plans.
- Discontinue nomination-based procurement and adopt centralised e-tendering in line with JJM Guidelines and GFR provisions.
- Mandate use of Hydro-Geo-Morphological (HGM) maps and smart sensors for better site selection, source sustainability, and daily monitoring of water drawal and distribution.
- Conduct annual independent evaluation of scheme performance with feedback loops into future planning.

A Performance Audit on Jal Jeevan Mission in Nagaland was carried out covering the period from 2019-2024. The Performance Audit brought out the following significant findings.

Highlights

- *The Village Action Plans were prepared without conducting baseline surveys and none of the 34 test-checked habitations prepared VAPs incorporating information such as the history of water supply schemes implemented in the village, the infrastructure created and an assessment of the existing water supply infrastructure by the DWSM.*

  Paragraph 2.2.8.1

- *The number of Functional Household Tap Connections initially proposed for 34 villages in the four test-checked districts decreased from 16,400 to 16,288 in the finalised DPRs and were further reduced to 14,835 as reported in IMIS.*

  Paragraph 2.2.8.2

- *VAPs were prepared without adequate participatory appraisal or demand assessment, contrary to the decentralised, demand-driven approach mandated in the JJM Guidelines.*

Paragraph 2.2.8.4

- *In four out of the five PIUs, IoT and GIS software were neither planned nor provided and that the real-time dashboard was also not utilised for planning and monitoring household tap connections.*

Paragraph 2.2.8.5

- *Three out of the five PIUs did not use any HGM Maps even though 40 groundwater-based schemes were planned for implementation by these three PIUs.*

Paragraph 2.2.8.6

- *An expenditure of ₹23.05 lakh was incurred on the construction of a deep tube well, iron removal plant and an RCC tank. When attempts were made to connect individual households from the tube wells, no water could be drawn. Both the tube well and the submersible pump remained idle and non-functional.*

Paragraph 2.2.8.6

- *Delays in release of Central as well as State share by GoN to the Department ranging between 39 and 107 days (Central Share) and 10 and 255 days (State Share).*

Paragraph 2.2.9.1

- *The supply order for materials was awarded without inviting tenders, resulting in an avoidable extra expenditure of ₹288.12 crore and a corresponding financial benefit to the supplier.*

Paragraph 2.2.10.1

- *The Department reported transportation of 13,67,421 metres of GMS pipes and 17 GPS tanks involving an amount of ₹50.97 crore by engaging 31 non-existent vehicles and 28 other vehicles which did not have the design capacity to transport the materials.*

Paragraph 2.2.10.3

- *There was shortfall ranging from 64 to 95 per cent in conducting laboratory tests over the last five years. The district laboratories of the four test-checked districts did not conduct tests for sulphate, total arsenic, fluoride, nitrate, total coliform bacteria, and E. coli or thermo tolerant coliform bacteria. While out of the target of 71,448 tests of water sources in the four test-checked districts through usage of FTKs, only 14,231 tests (19.92 per cent) were conducted.*

Paragraph 2.2.10.8

- *Out of 34 test-checked WATSAN Committees, 30 had not opened any bank accounts for the deposit of community contributions towards the required five per cent of the capital cost.*

Paragraph 2.2.10.12

- *Against the target to provide 16,288 FHTCs in 34 test-checked villages, the Department provided 8,251 FHTCs (50.66 per cent) depriving 5,851 households of the benefit of availing the scheme. The expenditure of ₹21.57 crore against 5,851 households proved fictitious as the services were not provided.*

Paragraph 2.2.11.1

- *10 villages out of 34 test-checked villages across the four test-checked districts, had conducted social audits.*

Paragraph 2.2.11.4

2.2.1 Introduction

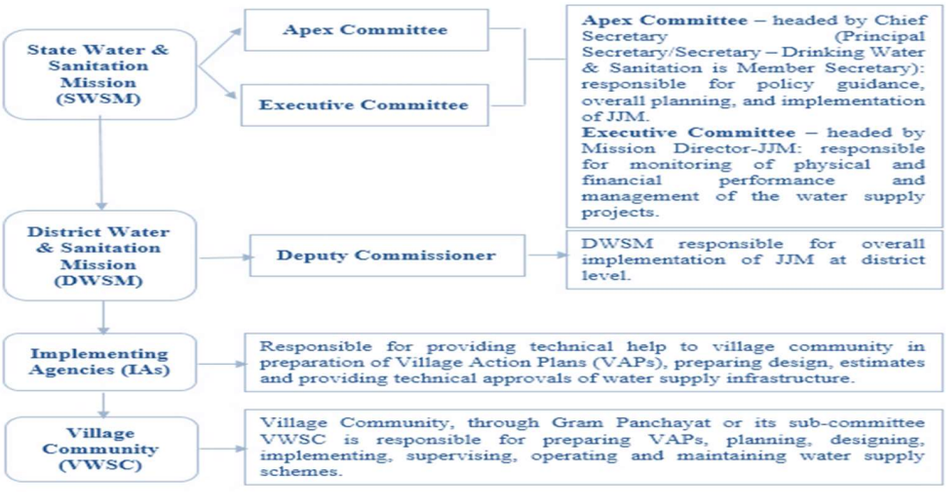
The Jal Jeevan Mission (JJM), a flagship scheme launched by the Prime Minister of India on 15 August 2019, aimed to provide potable water to rural areas through piped water supply. The Mission's goal was to ensure that by the end of 2024, each of the 19 crore rural households in the country received piped water supply through FHTCs. FHTCs were required to meet three key features/conditions:

- provide water in adequate quantity, at least 55 litres per capita per day (lpcd);
- ensure the water meets prescribed quality standards, of BIS:10500; and
- guarantee a regular supply, meaning continuous availability over the long term.

2.2.2 Organisational set-up

The organisational set up for implementation of JJM in the State is shown in **Chart 2.2.1.**

Chart 2.2.1: Organogram of the Department



Source: Departmental records

2.2.2.1 Institutional Mechanism

Paragraph 1 of the JJM Operational Guidelines, 2019 stipulates that proper planning, strategising and implementing water supply systems including development of proper institutional mechanism at all levels is essential for JJM implementation. The JJM is a time bound programme with the objective to provide FHTCs to all Households (HHs) within March 2024. To achieve this objective, a robust institutional mechanism and proper detailed planning is essential. Institutional mechanism existing in the State for implementation of JJM is discussed in the succeeding paragraphs.

2.2.2.2 State Water and Sanitation Mission

As per Paragraph 5.2 of the JJM Operational Guidelines, 2019, each State is required to constitute a State Water and Sanitation Mission (SWSM) which is the State level institution responsible for implementation of JJM in the State. The SWSM is to be headed by the Chief Secretary with the Principal Secretary/Secretary in-charge of PHE&WS Department as Mission Director in the State. The SWSM shall comprise of two committees *viz.* Apex Committee and Executive Committee.

The Government of Nagaland (GoN) constituted the SWSM in January 2020 under the JJM. The SWSM is headed by the Chief Secretary to the GoN as Chairman, with the Principal Secretary, Public Health Engineering Department (PHED) as the Mission Director, the Chief Engineer, PHED as Member Secretary and twelve[1] officials from allied Departments as Members. The main function of the SWSM is to provide operational and policy guidance to the implementing Department (PHED).

2.2.2.3 State Level Scheme Sanctioning Committee

Paragraph 5.2 of the JJM Operational Guidelines, 2019 provides for setting up of a State Level Scheme Sanctioning Committee (SLSSC) for approval of schemes.

The GoN constituted the SLSSC under JJM in January 2019, with the Chief Secretary as Chairperson, the Chief Engineer, PHED as Member Secretary and ten[2] officials from allied Departments as Members. The main function of the SLSSC is to approve the Annual Action Plan of JJM and to review its implementation.

2.2.2.4 District Water and Sanitation Mission

Paragraph 5.3 of the JJM Operational Guidelines, 2019 stipulates that, at the district level, the District Water and Sanitation Mission (DWSM) is responsible for overall implementation of JJM. The DWSM will be headed by the Deputy Commissioner/

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[1] Development Commissioner, Finance Secretary, AHOD-School Education, AHOD-Health & Family Welfare, AHOD-Rural Development, AHOD-Water Resources, AHOD-Land Resources, AHOD-Soil & Water Conservation, AHOD-Social Welfare, Director-WSSO (PHED), Shri Achu Chang- Dolen Thangjam Society, Tuensang and Shri Y. Nuklu Phom-Lemsachenlok, Yaongyimchen, Longleng.

[2] Representative from the Department of School Education, Finance Department, Planning and Coordination, Health & Family Welfare, Rural Development, Water Resources, Soil & Water Conservation, Social Welfare, Director-WSSO (PHED) and Superintending Engineers, M&I.

District Collector (DC) as Chairman, with the Executive Engineer (EE), PHE &WS division, as Member Secretary.

Audit observed that the DWSM was not constituted in all the test-checked four districts of the State. It was, however, observed that in February 2020, the PHED had requested the Principal Secretary and Home Commissioner, Nagaland to revamp the DWSMs in the districts, with the DC as the head, the EE, PHED as Member Secretary and nine[3] officials from allied Departments as Members, to facilitate the roll out the JJM Plan 2019-20.

2.2.2.5 Village Water and Sanitation Committees

Paragraph 5.4 of the JJM Operational Guidelines, 2019 stipulates that the community will play a lead role in planning, implementation, management, Operation and Maintenance (O&M) of in-village water supply infrastructure thereby leading to FHTCs to every rural household. The willingness of community, reflected through Gram Sabha resolution and community contribution, will be the foremost criterion for planning of water supply system in villages. Gram Sabha will decide whether GP or its subcommittee *i.e.* VWSC, will carry out the responsibilities of water supply management in the village. VWSC may be headed by Sarpanch/Up-Sarpanch/GP member/traditional village head/senior village leader as the Gram Sabha may decide.

Audit observed that prior to the JJM implementation, the State Government through the Communitisation Rules, 2003 constituted the Water and Sanitation (WATSAN) Committee in 2006 to participate in drinking water supply and sanitation activities. These WATSAN Committees functioned as VWSCs and no separate notification was issued for creation of VWSCs in the State.

2.2.3 Audit Objectives

The Audit objectives of the Performance Audit were to assess whether:

- Efficient institutional framework is in place for planning, implementation and post operational management of the schemes;
- Financial resources have been employed in an economic and efficient manner;
- Assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations; and
- Programme objectives (output and outcomes) have been achieved successfully.

2.2.4 Audit Criteria

The Audit findings were benchmarked against the following criteria:

[3] District Planning Officer, Project Director- Rural Development, Divisional Forest Officer, District Medical Officer, District Education Officer, Executive Engineer-Water Resources, Project Officer-Land Resources, District Agriculture/Soil &Water Conservation Officer and District Information Public Relation Officer.

- Operational Guidelines for Implementation of JJM;
- Margdarshika for Gram Panchayat & VWSC to Provide Safe Drinking Water in Rural Households;
- Water Quality Monitoring & Surveillance Framework;
- SDG obligations and Standard Operating Procedure for WASH standards;
- General Financial Rules (GFR), 2017;
- Orders issued by the State Government facilitating implementation of JJM;
- Provisions of State Specific Procurement Rules; and
- Orders issued by the State Government pertaining to devolution of powers as envisaged in the 73rd Amendment Act of the Constitution of India.

2.2.5 Audit Scope and Methodology

In Nagaland, the JJM is implemented by the PHED. However, in terms of the recommendations of the Fifteenth Finance Commission (XV FC), funds were provided to the Rural Development (RD) Department for implementation of the JJM in 116 villages. The Performance Audit therefore involved examination of records for the period 2019-20 to 2023-24 of the Chief Engineer, PHED-cum-Member Secretary, SLSSC, Project Implementing Units (PIUs), test-checked DWSMs, and various villages and VWSCs. A beneficiary survey (493) was also conducted to assess the satisfaction level of the beneficiaries. An Entry Conference was held (May 2024) with the Principal Secretary, PHED-cum-Mission Director, SWSM and other representatives from the PHED and RD Department wherein the audit objectives, criteria and scope were discussed. The audit findings and recommendations were discussed with the Principal Secretary of the PHED during the Exit Conference (November 2024). Replies of the Departments concerned and of the Government are suitably incorporated in the Report.

2.2.6 Audit Sampling

Four[4] out of 11 districts were selected through stratified random sampling using the IDEA software. From these four selected districts, nine[5] out of 21 blocks and 34 out of 577 habitations/villages were selected through simple random sampling using the IDEA software. The sampled blocks and habitations included six blocks and six habitations where the scheme was implemented by the RD Department.

2.2.7 Acknowledgement

The Office of the Accountant General (Audit), Nagaland acknowledges the co-operation extended by the PHED, Nagaland in providing necessary information and records during audit.

[4] Longleng, Dimapur, Wokha and Kiphire

[5] **Sampled Blocks - Longleng District**: *Longleng and Sakshi*; **Dimapur District**: *Chumukedima, Niuland and Medziphema*; **Wokha District:** *Sanis, and Wokha* and **Kiphire District**: Kiphire and Pungro

Audit Findings

2.2.8 Audit Objective: Whether efficient institutional framework is in place for planning, implementation and post operational management of the schemes?

2.2.8.1 Preparation of Village Action Plans without conducting baseline surveys

Paragraph 2.3 of the Margdarshika for Gram Panchayat (GP) & Village Water & Sanitation Committee (VWSC) stated that based on the basic surveys, resource mapping and the felt needs of the rural community, the DWSM, PHED and Implementation Support Agencies (ISA) would assist the GP or its sub-committee *i.e.*, VWSC in preparing a Village Action Plan (VAP). Further, Paragraph 3.6.1 of the JJM Operational Guidelines stated that the VAP would include:

- History of water supply/availability in the village;
- Current availability of water in water source (yield measured) and its long-term sustainability;
- Need assessment of water required in the village and the available resources;
- Number of existing FHTCs and number of FHTCs yet to be provided in all habitations; and
- Ensuring availability of land in favour of GP and/or its sub-committee, *i.e.*, VWSC/Paani Samiti/User Group for construction of in-village water supply infrastructure.

The VAP will be approved in the Gram Sabha, when 80 *per cent* of the village community present in the meeting agrees to the prepared plan. The VAP will then be submitted to the DWSM for further action. Technical approval will be accorded by the PHED/RWS Department/Board. The VAP should also contain detailed information such as history of completed and ongoing rural water supply, infrastructure created under erstwhile National Rural Drinking Water Programme (NRDWP) for retrofitting compliant with JJM.

Audit observed that in violation of the scheme guidelines, none of the PIUs conducted a baseline survey to assess the actual number of households or determine the number of households to be covered. Failure to conduct baseline surveys prior to preparing the VAPs undermined the core planning principles of the JJM. Without reliable household-level data, the VAPs could not accurately assess water supply needs, existing infrastructure, or sustainability concerns - leading to a high risk of under-or over-provisioning, inefficient use of funds, and unsustainable implementation, as discussed under **Paragraph 2.2.8.2.**

During the period, 558[6] VAPs were prepared and included in DAPs. Scrutiny of the VAPs revealed the following:

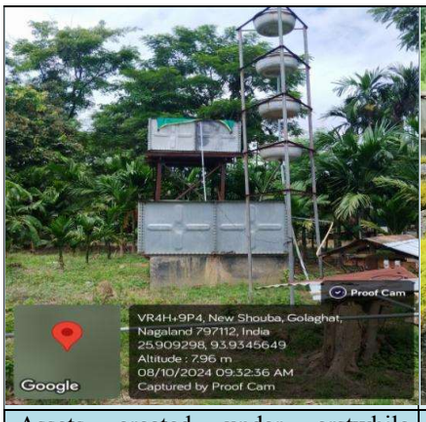
[6] Kiphire:111, Longleng: 52, Wokha: 155 and Dimapur: 240

(i) Critical information in the VAP

Audit observed that none of the 34 test-checked habitations prepared VAPs that incorporated information such as the history of water supply schemes implemented in the village, the infrastructure created and an assessment of the existing water supply infrastructure by the DWSM. Audit further observed that 32 out of the 34 habitations had existing water supply infrastructure such as diversion weir, sedimentation tank, de-silting tank, main reservoir and slow sand filter.

Audit observed that in none of the 34 habitations tested, the VAPs included critical planning data such as history of earlier water supply schemes, existing infrastructure, or an assessment of their functionality: contravening the JJM Operational Guidelines (Paragraph 3.6.1). Despite the presence of infrastructure in 32 habitations, the Detailed Project Reports (DPRs) were prepared without reference to these assets, leading to the risk of redundancy and avoidable expenditure. Joint Physical Verification (JPV) confirmed that assets created under previous programmes (*e.g.*, NRDWP) were lying idle and unused. Few instances of existing infrastructure are shown in the **Photograph-2.2.1**.

Photograph-2.2.1

<table>
<tr>
<td> 
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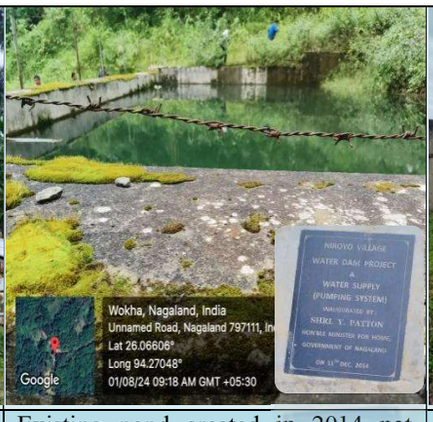
<td> 
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<tr>
<td>Assets created under erstwhile NRDWP lying idle at Sukhato Village under Dimapur District (Photograph taken on 08 October 2024)</td>
<td>Existing pond created in 2014 not considered under JJM at Niroyo village (Wokha District) (Photograph taken on 01 August 2024)</td>
<td>Assets created under erstwhile NRDWP lying idle at Shaki Village under Wokha District (Photograph taken on 08 February 2024)</td>
</tr>
</table>

In reply, the State Government stated (November 2024) that the community prepared the VAPs with technical support from the Department and that it had considered the existing infrastructure while preparing the DPR in order to reduce project costs.

The State Government contended that the VAPs were community-prepared with technical support and that existing infrastructure was considered in DPRs to reduce costs. However, this reply is not acceptable. As evident from the **Photograph-2.2.1** and JPV conducted by Audit, the assets such as reservoirs and treatment tanks were left idle, and no documentary evidence was available to demonstrate their inclusion in technical or financial planning. This contradicts the Government's claim and indicates a systemic failure to integrate past investments into new scheme planning, undermining both cost-efficiency and sustainability.

(ii) Inflated reporting of households/beneficiaries

Audit noted that in the four test-checked districts, the VAPs prepared during January-June 2020 projected a rural population of 6,19,986, compared to 4,12,669 recorded in the 2011 Census - an increase of 50.24 *per cent* over nine years. This level of population growth appears significantly higher than expected, particularly in the context of Nagaland recording a negative decadal population growth rate (-0.47 *per cent*) from 2001 to 2011. The abnormal projection raises concern about the reliability of the planning data and suggests that the absence of updated baseline surveys may have led to overestimation of beneficiaries, affecting the integrity of project costing and fund allocation under JJM.

In reply, the State Government stated (November 2024) that population and household projections in the VAPs were based on available Census data and that the village authority inputs and decadal growth rate was carefully analysed using methods such as arithmetical progression, geometric increase and incremental increase methods to ensure realistic projections and to prevent any overestimation in future fund requisition. However, this reply does not sufficiently address the anomaly of a 50 *per cent* increase in a State with a historically declining population trend. Moreover, the failure to conduct household-level baseline surveys undermines the accuracy of these projections. Without empirical validation, such estimates risk inflating scheme costs and misrepresenting service coverage needs.

2.2.8.2 Authenticity of Data of Census coded revenue villages

Paragraph 3.6.1 of the JJM Operational Guidelines states that the DWSM will be responsible for preparation and finalisation of the District Action Plan (DAP). The DAP would include strategic plan for FHTC to all rural households by 2024 and the timeline for all the activities identified for FHTCs coverage. Paragraph 3.6.1 also specifies that the DAP should be approved by the Mission Director of the SWSM.

Audit observed discrepancies between the numbers of FHTCs projected to be provided as per VAP, IMIS and the records of the District Administration (DA) showing the tax paying households/revenue households[7] as shown in **Table 2.2.1**.

Table 2.2.1: Discrepancies in records as per VAP, DPR, DA records

District	No. of villages considered from the test checked village	No. of FHTCs required as per VAP	No. of FHTCs as per DPR	No. of FHTCs projection in IMIS	No. of household as per DA records
Kiphire	5	2,352	2,321	2,316	2,835
Longleng	8	4,406	4,234	2,754	4,737
Dimapur	15	6,827	6,929	6,963	7,931
Wokha	6	2,815	2,804	2,802	3,193
Total		**16,400**	**16,288**	**14,835**	**18,696**

Source: Departmental records

[7] A "revenue household" is a family unit recognised in the official village records used for taxation, landholding, census, and administrative purposes. The primary source is the village revenue register or "household register" maintained by the revenue department.

From **Table 2.2.1**, it can be seen that the FHTCs projected in the VAPs for the four test-checked districts was 16,400, the number of FHTCs projected in the DPR was 16,288 and the number of households obtained from the four DA was 18,696.

It was further observed from the IMIS that the FHTCs projected was 14,835. Audit observed that the reason for these discrepancies was due to non-conduct of basic survey to assess the actual number of households and lack of coordination between the PIUs and the DWSM. Audit further observed that in two[8] out of the four test-checked districts, the DAPs prepared by the PIUs were not approved by the DWSM headed by the Deputy Commissioner[9] of the districts thereby contravening Paragraph 3.6.1 of the scheme guidelines. Due to these inconsistent projections, Audit was unable to establish the actual number of FHTCs required and assess the actual achievement of the target.

In reply, the State Government stated (November 2024) that the variations in the number of FHTCs was primarily due to data source differences and the evolving nature of household records. It was also stated that the DAPs were developed based on the VAP data and approved by the Deputy Commissioners of the districts.

The reply is not acceptable as none of the four selected PIUs conducted baseline surveys to verify the actual number of households but instead relied solely on the VAPs prepared by the village authorities. Moreover, two of the DAPs were not approved by the respective Deputy Commissioners.

2.2.8.3 Implementation in Urban Local Bodies

Chapter 1 of the JJM Operational Guidelines states that the scheme was launched with the aim of providing FHTCs to every rural household by 2024. The programme focussed on assisting, empowering and facilitating states in planning of participatory rural water supply strategy for ensuring potable drinking water security on a long-term basis to every rural household and public institution at affordable service delivery charges leading to improvement in living standards of rural communities.

Audit observed that in 2019-20 and 2020-21, the SLSSC approved 14 projects at an estimated cost of ₹30.67 crore for 14 Urban Local Bodies[10] (ULBs) across nine districts. Audit also observed that as on March 2024, 13 projects were completed while one project was on-going, as detailed in ***Appendix-2.2.1*** for which an expenditure of ₹30.10 crore was incurred. Implementation of the JJM scheme in non-entitled ULBs not only violated the scheme guidelines along with the irregular expenditure of ₹30.10 crore but also resulted in diversion of benefits to ineligible beneficiaries. This also raises concerns about lack of proper planning and monitoring by the SLSSC.

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[8] Dimapur and Longleng.

[9] As per Paragraph 5.3 of the Operational Guidelines of JJM, at the district level, DWSM is responsible for overall implementation of JJM. DWSM will be headed by Deputy Commissioner/ District Collector (DC).

[10] Out of 109 villages covered in 2019-20, one was ULB while in 2020-21 out of 266 villages, 13 were ULBs.

In reply, the State Government stated (November 2024) that prior to 2022-23, except for district headquarters, all minor towns were included under rural water supply and reflected in the Ministry's IMIS database. However, following the introduction of AMRUT 2.0, no additional ULBs were included under JJM.

The reply is not acceptable. While minor towns may have been historically treated as rural for water supply, records indicate that the 14 towns were officially notified as ULBs prior to the approval and execution of the projects under JJM. Inclusion of such areas under JJM violated the eligibility norms defined in the Operational Guidelines, irrespective of IMIS classification, which is not a substitute for legal notification. This resulted in misapplication of ₹30.10 crore and points to a failure in institutional oversight by the SLSSC.

2.2.8.4 FHTCs not demand driven

Chapter 1 of the JJM Operational Guidelines stated that the implementation of the Scheme would be decentralised, demand-driven and community-managed so as to instil a 'sense of ownership' among the local community, create an environment of trust and bring in transparency leading to better implementation and the long-term O&M of water supply systems. Paragraph 6.1 of the Guidelines further stated that PHED and/or the Implementation Support Agency would undertake demand assessment, introduce JJM using various Information, Education and Communication (IEC) tools and carryout participatory rural appraisal (PRA) activities to enable the community to decide the type of in-village water supply infrastructure/scheme.

Interview of 493 beneficiaries (June-August 2024) in 34 test-checked villages of four districts, however, showed that 119 beneficiaries in Dimapur and Kiphire Districts had their own ring well or tube wells and therefore did not require tap water supply from PHED. The responses of 119 out of 493 interviewed beneficiaries in Dimapur and Kiphire districts indicated that they had adequate private water sources and did not perceive a need for FHTCs. This suggests that VAPs were prepared without adequate participatory appraisal or demand assessment, contrary to the decentralised, demand-driven approach mandated in the JJM Guidelines. This compromises effective community engagement and may result in underutilised infrastructure.

While accepting the Audit observation, the State Government stated (November 2024) that the Department is undertaking more intensive IECs and regular PRA activities to instil a 'sense of ownership' among the local community.

However, the State Government's reply did not address the core audit finding that VAPs were prepared without adequate demand assessment through PRA, as required by the JJM Guidelines. The conduct of IEC activities alone could not be considered a substitute for participatory planning. The inclusion of households who did not require FHTCs indicated a deviation from the decentralised and demand-driven approach envisaged under the Scheme. This undermined community ownership and could have affected the long-term sustainability of the water supply infrastructure.

2.2.8.5 Technology in Planning & Monitoring

Paragraph 8.4 of the JJM Operational Guidelines states that with the advent of smart technologies, it is possible to have real-time centralised and continuous monitoring through use of Internet of Things (IoT) and Geographic Information System (GIS). Use of data analytics will enable analysing data collected from rural areas to be used for various purposes by the utilities for smart management and better services which could be helpful for policy level interventions required for welfare measures. Further, a real time dashboard is to be used to constantly monitor the functionality of household tap connections.

Audit observed that in four out of the five PIUs, IoT and GIS software were neither planned nor provided and that the real-time dashboard was also not utilised for planning and monitoring household tap connections. As a result, centralised and continuous real-time monitoring was not effectively implemented and therefore the intended purpose of utilising the data collected from rural areas for various objectives remained unfulfilled. Audit further observed that due to non-utilisation of the dashboard, the ability to analyse and leverage this data for informed decision-making and enhanced service provision was not realised. This shortfall hindered efforts to improve water supply management, leading to missed opportunities for more efficient and responsive services in rural areas.

While accepting the Audit observation, the State Government stated (November 2024) that the Department was actively collaborating with the Department of GIS and Remote Sensing to prepare GIS maps for ULBs, planning to extend this mapping to cover all rural water infrastructure created under JJM and that IoT initiatives were launched in Kohima, Niuland, Peren and Phek on a pilot basis.

While the Department acknowledges the need for GIS mapping and IoT-based monitoring, the reply is not acceptable. The initiative cited pertained to ULBs, which were outside the purview of JJM, a scheme endeavoured especially to rural communities. Moreover, the IoT pilot projects launched in Kohima, Niuland, Peren, and Phek were not related to the four PIUs covered during audit, and hence, did not address the core issue of non-implementation in the test checked areas. As per the JJM Guidelines, there was a clear requirement for proactive planning and integration of digital technologies from the outset. The absence of such systems had hindered data-driven governance and deprived the mission of critical analytics essential for improving service delivery and ensuring long-term sustainability.

2.2.8.6 Wasteful expenditure on HGM Maps

Paragraph 8.4.1 of the JJM Operational Guidelines stated that with the support from DDWS, the National Remote Sensing Centre (NRSC), Hyderabad has prepared Hydro-Geo-Morphological (HGM) Maps (4,898 Nos.) in 1:50,000 scale for the country which can be used to determine the probable location of ground water availability and also the locations for recharge of the aquifers. Use of these maps

along with geo-physical studies helps to cut down the failure of the bore wells/tube wells and also help in in-situ dilution of certain chemical contaminants.

Audit observed that three[11] out of the five PIUs did not use any HGM Maps even though 40 groundwater-based schemes were planned for implementation by these three PIUs. Audit observed that non-usage of HGM maps for determining the location of ground water availability contributed to issues such as drying of water pumps in Longleng District. For example, the work "**Providing Drinking Water Supply with FHTC by Ground Water Exploration System in Hamlikong village under Longleng District**" involving an amount of ₹45.18 lakh was taken up under JJM. Examination of records showed that an expenditure of ₹23.05 lakh was incurred on the construction of a deep tube well, iron removal plant and an RCC tank. When attempts were made (December 2023) to connect individual households from the tube wells, no water could be drawn. Audit further observed that both the tube well and the submersible pump remained idle and non-functional. Moreover, the MIS report indicated that 101 out of 141 households were connected to a pipeline and marked as completed. In absence of the functional tube wells, the beneficiaries were dependent on the nearby small water spring. The **Photograph-2.2.2** depicts the idle and non-functional tube well and submersible pump.

Photograph-2.2.2

Incomplete RCC tank and iron removal plant at Hamlikong village, Longleng District.

Non-Functional Column and delivery pipes sans submersible pump at Hamlikong village, Longleng District.

While accepting the Audit observation, the State Government stated (November 2024) that the Department will verify all the projects highlighted in the Audit observation and initiate remedial measures wherever feasible.

The State Government's acceptance of the observation and intention to verify the projects is noted. However, the reply does not address the core audit finding that the planning process failed to incorporate mandatory hydro-technical safeguards (HGM mapping), despite these being available nationally. The case of Hamlikong village illustrates the serious consequences of this lapse, where infrastructure was created at significant cost, yet failed to deliver water due to poorly sited tube wells.

[11] EE, Kiphire Division-1, EE, Longleng Division-13 and EE, Wokha Division-26.

Additionally, the reporting of household coverage in MIS despite non-functional infrastructure highlights a systemic failure in monitoring and verification protocols.

2.2.9 Audit Objective: Whether financial resources have been employed in an economic and efficient manner?

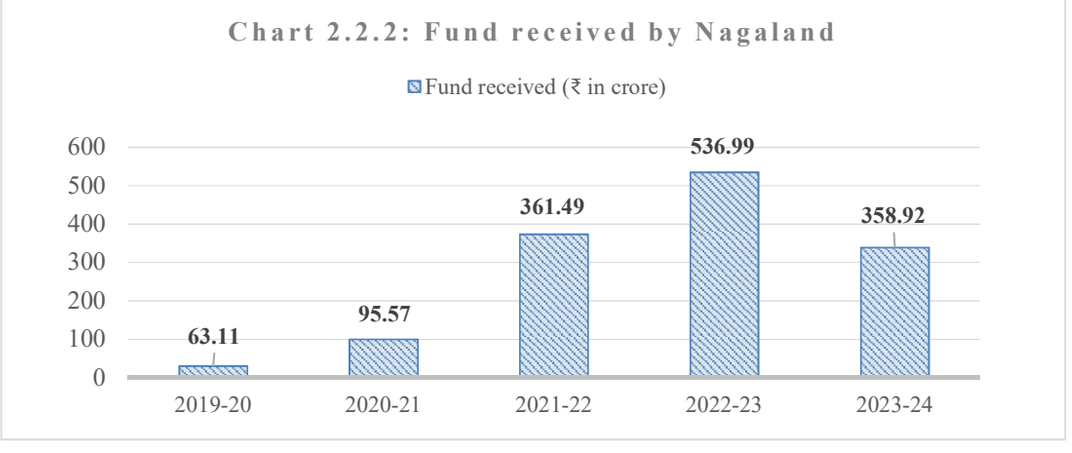
The fund allocated by Government of India for implementation of the JJM in Nagaland, contribution of the State Government and expenditure incurred during 2019-2024 is shown in **Table 2.2.2**.

Table 2.2.2: Statement showing fund allocation and expenditure for JJM

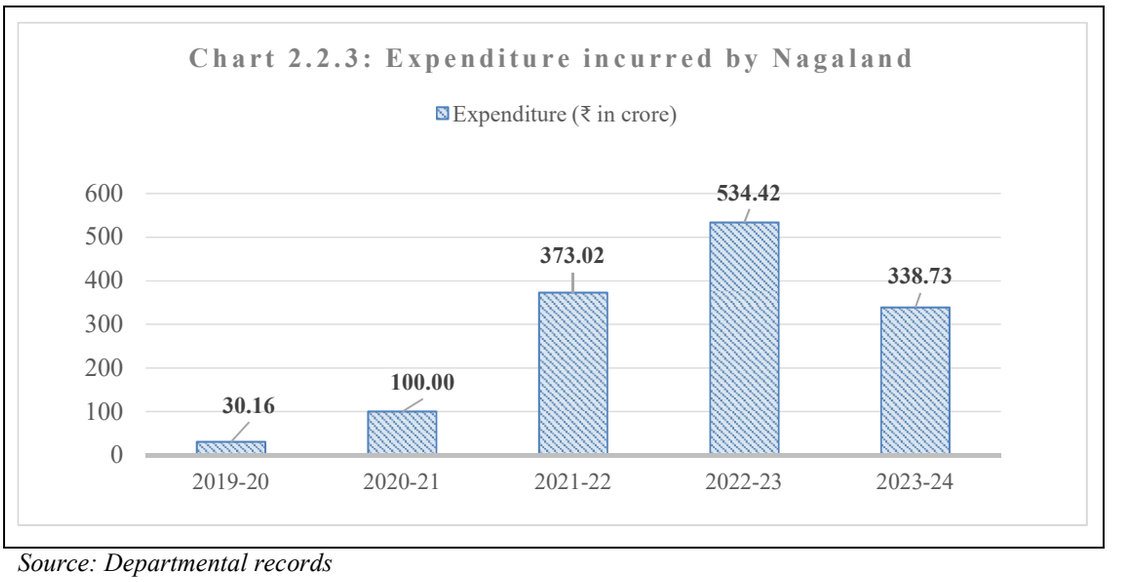
Year	Opening Balance		Fund received during the year		Misc. Receipt (Bank Interest and other receipts)	Total available during the year	Expenditure incurred during the year		Interest remitted during the year		Closing Balance		
	GoI share	Interest	GoI share	GoN share			GoI share	GoN share	GoI share (90 *per cent*)	GoN share (10 *per cent*)	GoI share	Interest	Total
2019-20	0.00	0.00	58.44[12]	4.67	0.00	63.11	25.49	4.67	0.00	0.00	32.95	0.00	32.95
2020-21	32.95	0.00	85.57	10.00	0.00	128.52	90.00	10.00	0.00	0.00	28.52	0.00	28.52
2021-22	28.52	0.00	333.61	27.88	0.40	390.41	345.14	27.88	0.00	0.00	17.00	0.40	17.39
2022-23	17.00	0.40	484.28	52.71	0.71	555.09	481.71	52.71	0.36	0.04	19.57	0.71	20.28
2023-24	19.57	0.71	314.90	44.02	0.71	379.90	294.71	44.02	1.09	0.12	39.75	0.20	39.95
Total			**1,276.80**	**139.28**	**1.82**		**1,237.05**	**139.28**	**1.45**	**0.16**	-	-	-

Source: Departmental records

As can be seen from **Table 2.2.2**, the Department received ₹1,416.08 crore, out of which an amount of ₹1,376.33 crore was expended during 2019-2024. The year-wise breakup of the budget and expenditure is shown in **Charts 2.2.2 and 2.2.3** respectively.



[12] There was an inadmissible amount of ₹1.95 crore in erstwhile NRDWP which was pointed out by audit and GoI accepted the observation and directed the State Government to recoup the amount and release it to PHED for utilisation under JJM. Therefore, the amount is included as receipt as Central share under JJM.



Source: Departmental records

In addition to the above funds, Nagaland also received (November 2020 and September 2021) a tied fund of ₹40.60 crore from the XV FC for the implementation of JJM by the RD Department in 116 villages. As per records made available to audit, the entire expenditure of ₹40.60 crore has been utilised to provide drinking water to 116 villages by the RD Department.

2.2.9.1 Delay in release of fund

As per the sanction order of the Ministry of Jal Shakti, GoI, the State Government was to ensure the release/transfer of the sanctioned amount to the Nodal Account of the implementing agency of the JJM along with State matching share within 15 days from the date of receipt of the funds. Examination of records however showed delays in release of Central as well as State share by GoN to the Department ranging between 39 and 107 days (Central Share) and 10 and 255 days (State Share) as shown in ***Appendix-2.2.2***. Audit observed that these delays were due to non-compliance with the Ministry's sanction orders thereby, impacting the timely implementation and effectiveness.

While accepting the Audit observation, the State Government stated (November 2024) that the delays in fund release to the Department was due to the process of completing various formalities and that the issue of delays in releasing the State Share has since been addressed.

The reply is not acceptable because the Ministry's sanction order requires transfer of funds to the implementing agency within 15 days of receipt. The audit observed delays well beyond this limit for both Central and State shares, ranging up to 255 days. Merely citing "various formalities" does not justify this deviation from binding financial conditions. Further, the reply does not provide any documentary evidence to substantiate the claim that the issue has been addressed or to show that delays have not recurred in subsequent releases. Delayed fund flow compromises planning, contractor mobilisation, and timely execution of works under a time-bound mission.

2.2.10 Audit Objective: Whether assets created through the programme are sustainable for the next two to three decades and do not compromise water security for future generations?

2.2.10.1 Award of supply without tendering

Rule 144 of the GFR, 2017, states that every authority delegated with the financial powers of procuring goods in public interest should have the responsibility and accountability for bringing efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Further, Rule 161 (i) of the GFR, 2017 states that subject to exceptions incorporated under Rule 154, 155, 162 and 166, invitation to tender by advertisement should be used for procurement of goods of estimated value of ₹25 lakh and above. Advertisement in such cases should be given on the Central Public Procurement Portal (CPPP) at www.eprocure.gov.in and on GeM. An organisation having its own website should also publish all its advertised tender enquiries on the website. Further, Paragraph 3.5 (xxxvii) of the Strategy of the JJM Guidelines also stated that for executing the programme expeditiously, there would be a need for executing agencies to carry out in-village infrastructure work for which centralised e-tendering mechanism would be adopted to discover best rates, best agencies and speed up the implementation.

Examination of records showed that the Department awarded (between January 2020 to May 2023) supply orders for procurement of 2,37,72,586 metres of Galvanised Mild Steel (GMS) pipes and Galvanised Pressed Steel (GPS) tank amounting to ₹888.10[13] crore to a supplier[14] on nomination basis, without inviting tenders on the basis of a Government order[15] of June 2018. The decision to award the contract to the supplier was not transparent or fair, as it bypassed an open, competitive tendering process, undermining fair competition and correct price discovery violating both the GFR provisions and the scheme guidelines. Audit further observed that the Department paid ₹863.43 crore (2019-2024) for 2,37,72,586 metres of GMS pipes and ₹24.67 crore (2020-24) for 1,213 GPS tanks to the supplier based on the supplier's tax invoices (***Appendix-2.2.3***). However, Audit scrutiny showed that the supplier procured the GMS pipes at a cost of ₹481.43 crore from M/s Indus Tubes, Delhi and GPS tanks for ₹14.01 crore from M/s Dhariwal Steel (P) Ltd, Kolkata, totalling ₹599.98[16] crore. By engaging the supplier instead of directly procuring from the manufacturers, the Department incurred an avoidable extra expenditure of ₹288.12[17] crore, resulting in a corresponding financial benefit to the supplier.

In reply, the State Government stated (November 2024) that the approved supply rates under JJM were finalised through a tendering process published in a national

[13] ₹863.43 crore (GMS pipes) + ₹24.67 crore (GPS tanks) = ₹888.10 crore.
[14] M/s Peseyie Construction, Kohima.
[15] No. PHE/SECY/2018-2019 dated 20 June 2018.
[16] ₹481.43 crore + ₹14.01 crore=₹495.44 crore. Then, ₹495.44 crore + ₹89.18 crore (18 *per cent* GST of ₹495.44 crore) + ₹15.36 crore (Freight charges) = ₹599.98 crore.
[17] ₹888.10 crore - ₹599.98 crore = ₹288.12 crore.

newspaper (January 2007) and subsequently revised (July 2012) due to increased raw material prices and changes in CST and NST/VAT rates. Based on these rates, DPRs for all the JJM schemes were prepared, which were vetted and approved by the Ministry through the Annual Action Plan and subsequently approved by the SLSSC. It was also stated that the State Government had authorised (June 2018) the supplier for supply of drinking water supply materials and SBM (G) Programme.

The State Government's reply is not acceptable on the following grounds. First, the cited supply rates of 2007 and their revision in 2012 predate the launch of JJM (2019) and do not meet the procurement transparency and competitiveness required under the GFR 2017 or JJM guidelines. Second, approval of DPRs by the Ministry or SLSSC pertains to scheme planning and does not revoke the requirement for competitive tendering. Third, the Government order of 2018 authorising the supplier for drinking water materials predates JJM and cannot be used to justify ₹888 crore worth of procurement without advertisement or e-tendering. The failure to follow Rule 144 and Rule 161 of the GFR, as well as JJM's e-procurement mandate, resulted in non-transparent procurement and avoidable extra expenditure of ₹288.12 crore, conferring undue financial benefit to an intermediary.

2.2.10.2 Avoidable excess expenditure

Rule 173 of the GFR, 2017 states that all Government purchases should be made in a transparent, competitive and fair manner, to secure best value for money. As per the condition of the supply order issued by the PHED, Nagaland, the materials were to be delivered at Freight on Road (FOR) Store, Dimapur. Examination of the records showed that the supplier procured the materials valued at ₹863.43 crore from M/s Indus Tubes, Delhi. To assess the reasonableness of the rates allowed to the supplier, Audit cross verified the rates approved by GoN with the tendered rates approved by the neighbouring State of Manipur which showed that the rates allowed by GoN were 18 to 58 *per cent* higher than the tendered approved rates of Manipur as shown in **Table 2.2.3**.

Table 2.2.3: Statement showing comparison of rate of GMS pipes between Nagaland and Manipur

(Amount in ₹)

Size of pipes (medium)	Rate allowed by Manipur	Rate allowed by Nagaland	Difference	Excess in Percentage	Total pipe procured in metre	Excess over Manipur
15 mm	154.95	203.64	48.69	31.42	1,30,15,992	63,37,48,650
25 mm	289.17	454.26	165.09	57.09	50,66,490	83,64,26,834
32 mm	353.78	489.29	135.51	38.30	19,84,003	26,88,52,247
40 mm	411.99	644.52	232.53	56.44	19,64,341	45,67,68,213
50 mm	599.27	707.07	107.80	17.99	11,84,495	12,76,88,561
65 mm	765.21	963.64	198.43	25.93	4,41,365	8,75,80,057
80 mm	993.31	1,571.24	577.93	58.18	1,13,700	6,57,10,641
100 mm	1,475.00	1,742.72	267.72	18.15	2,200	5,88,984
Total					**2,37,72,586**	**2,47,73,64,187**

Source: Department's records and PHED, Manipur

As may be seen from **Table 2.2.3**, the PHED procured 2,37,72,586 metres of GMS pipes at rates higher than the rate of Manipur resulting in avoidable excess expenditure of ₹247.74 crore. Incidentally, National Highway 29, which passes through Daboka, Dimapur and Kohima, serves as the primary route for transporting goods to Imphal, the capital of Manipur. Given that Imphal is located approximately 205 km beyond Dimapur, it is reasonable to conclude that prices in Dimapur should logically be lower than those in Imphal due to the shorter transportation distance.

In reply, the State Government stated (November 2024) that the Department has been procuring GMS pipes from Government approved manufacturer for implementation of all water supply schemes funded under GoI and GoN. The State Government further stated that it has no knowledge of the pipe rates of sister States, such as Manipur, as each State adopts its own unique Government approved rates and thus excess expenditure on the procurement of water supply materials by the Department does not arise. The reply is not acceptable as correct price discovery was not achieved as the supply order was awarded on nomination basis in violation of GFR provisions as discussed in **Paragraph 2.2.10.1**. The reply is also not acceptable as the Department should have ensured price reasonableness and secured best value for money as prescribed by Rule 173 of the GFR, 2017.

2.2.10.3 Distribution and lifting of GMS pipes

Section 39 of the Motor Vehicle Act, 1988 states that no person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is registered and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner. Section 66 of the Motor Vehicle Act, 1988 Act also provides that no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place whether or not, such vehicle is actually carrying any passengers or goods save in accordance with the conditions of a permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorising him the use of the vehicle in that place in the manner in which the vehicle is being used.

Examination of records showed that the Department issued 36 supply orders to the supplier for supply of GPS tanks and GMS pipes of various specifications as detailed in ***Appendices- 2.2.4 and 2.2.5***. As per the terms and conditions of the supply orders, the materials were to be delivered to the PHED Store Division in Dimapur, subject to acceptance by the Material Inspection Board. Further examination of records showed that the Material Inspection Board authenticated the receipt of the materials in full and subsequently, the Department released the total amount of ₹888.10 crore (May 2024) to the supplier[18]. Records also indicated that the materials were fully distributed to all districts.

[18] The payment was made after deducting statutory deduction of GST @ 2 *per cent*.

To verify the transportation of the materials from the Store Division to the 13 PIUs across the State, Audit cross verified the transport challans issued by the Store Division, Dimapur to the PIUs with the records of the Transport Department and the data from the VAHAN[19] database. This cross-verification exercise showed that out of the 293 vehicles used for transporting the materials to the 13 PIUs across the State, 31 were non-existent, 15 were Light Goods Vehicle (LGV), five were Light Motor Vehicles (LMV), three were two-wheelers, one was a three-wheeler and the remaining four were various other types of vehicles not designed for transporting GMS pipes and GPS tanks. Details of the vehicles are shown in **Table 2.2.4**.

Table 2.2.4: Details showing the types of vehicles where materials were transported

Sl. No	Types of Vehicles/Remarks of Transport Department records	Total number of vehicles	Carriage capacity of the vehicles (in Kg)	Weight of pipes* in MT	Length of pipes*	Frequency of transport (in trips)
1	Details not found in the VAHAN database and Transport Department, Nagaland	31	0	1,064.85	5,18,543	140
2	Agricultural tractor	1	0	8.21	1,350	1
4	Excavator	2	0	40.15	17,458	5
5	Light Goods Vehicle (LGV)	15	1015	1,308.4	6,49,909	176
6	Light Motor Vehicle (LMV)	5	480	34.64	11,364	5
7	Motor cycle/scooter	3	0	207.51	1,14,193	27
8	Tanker	1	0	77.29	48,460	10
9	Three wheeler	1	0	16.34	6,144	2
Total		**59**		**2,757.39**	**13,67,421**	**366**

Source: Transport Department and VAHAN

* 15, 25, 32, 40, 50, 65 & 80 mm

As may be seen from **Table 2.2.4**, out of 59 vehicles, 31 vehicles did not exist and the remaining 29 vehicles lacked the capacity to carry load of 13,67,421 metres of GMS pipes and 17 GPS tanks valued at ₹50.97 crore (***Appendix-2.2.6***). Thus, the Department's claims appeared doubtful. Further, as these items could not have been delivered to the 13 PIUs, the implementation of the scheme was bound to be adversely affected. Additionally, audit could not vouch safe the veracity of the claim that the entire materials issued by the Store Division was distributed to the villages, as the WATSAN Committees did not maintain any records indicating the actual quantity received and the number of pipes utilised.

In reply, the State Government stated (November 2024) that the registration number of the engaged vehicles were recorded on the transport challan as per the registration displayed on the vehicles but that errors occurred during the entry process. It was also stated that following the Audit observation, verification calls were made to the concerned drivers to ascertain the correct registration numbers and authenticate those

[19] VAHAN software enables the process of RTO/DTO/MLO/SDM involving vehicle registration, fitness, taxes, permits and enforcement to get computerised.

not found in VAHAN. It was further stated that it was purely an inadvertent error in the vehicle registration entry.

The State Government's response is not acceptable for reasons explained ahead. The use of registration numbers of non-existent or inappropriate vehicles was consistently recorded not only in transport challans but also in corresponding gate pass challans, indicating that these were not mere clerical errors but systemic lapses in logistics documentation. Further, vehicles such as motorcycles, LMVs, and tractors are physically incapable of transporting the volume and type of materials in question. Post-audit verification through phone calls does not constitute verifiable or auditable evidence and cannot validate the genuineness of material delivery. The inconsistencies cast doubt on the authenticity of material distribution and may indicate irregularities in the physical movement of goods under the scheme.

2.2.10.4 Irregular stock management

Rule 211 (i) of the GFR, 2017 states that the Officer-in-charge of stores shall maintain suitable item-wise lists and accounts and prepare accurate returns in respect of the goods and materials in his charge making it possible at any point of time to check the actual balances with the book balances. For implementation of JJM in Nagaland, a total of 2,37,72,586 metres GMS pipes of varying specifications were required, of which 2,37,72,586 metres valued at ₹863.43 crore was purchased. Examination of the Stock records showed that all the pipes have been issued to the PIUs. A Joint Physical Verification (JPV) conducted in July 2024, however, showed that 5,14,440 metres of pipes of six different specifications were still in stock at the Central Store in Dimapur as shown in **Table 2.2.5**.

Table 2.2.5: Statement showing GMS pipes lying in the stockyard

Sl. No.	Specification of pipe	Number of pipes	Length of pipes (metre)	Issue Rate (per metre)	Amount (in ₹)
1	15 mm	45,000	2,70,000	203.64	5,49,82,800
2	25 mm	19,000	1,14,000	454.26	5,17,85,640
3	32 mm	10,500	63,000	489.29	3,08,25,270
4	40 mm	10,000	60,000	644.52	3,86,71,200
5	50 mm	1,040	6,240	707.07	44,12,117
6	65 mm	200	1,200	963.64	11,56,368
Total		**85,740**	**5,14,440**	**-**	**18,18,33,395**

Source: Departmental records

As may be seen from **Table 2.2.5**, GMS pipes valued at ₹18.18 crore were still in the store, despite the Department's claim that the pipes had been fully distributed to the PIUs. This discrepancy indicates that the stock records were not maintained as per the provisions of the GFR and that the Department's declaration of 91.30 *per cent* achievement (as of 24 July 2024) is misleading. Photographic evidence of GMS pipes lying at Central Store, Dimapur is shown in the **Photograph-2.2.3.**

Photograph-2.2.3

Photographs: GMS pipes lying at stock in the Central Store, Dimapur

The Department's claim of full distribution of GMS pipes to PIUs was found to be incorrect, as 5.14 lakh metres of pipes valued at ₹18.18 crore remained in the Central Store at Dimapur as of July 2024. This discrepancy indicates serious deficiencies in stock management practices, violating Rule 211(i) of the GFR, 2017. The Department's declaration of achievement was based on inaccurate reporting, undermining transparency and the credibility of physical and financial progress claims.

In reply, the State Government stated (November 2024) that although allotment orders were issued, physical lifting of pipes was temporarily slowed down due to heavy

monsoon. It was also stated that lifting of the pipes was in progress and that it was expected to be completed soon.

The reply of the State Government is silent about the stock which was recorded as issued despite its physical presence in the store. The State Government's reply attributes the presence of stock to delays caused by monsoon, the Department's own stock entry records, transport challans, and gate passes confirm that lifting of the pipes had been completed by June 2024. This contradiction between physical verification and official documentation points to unreliable stock management and misreporting of scheme progress. Moreover, while the monsoon and its associated delay is predictable in the North East (NE), the Department did not make any contingency provision for the monsoon while planning for logistics. Further, the explanation does not account for the misleading certification of material movement nor does it reconcile book balances with physical stock, as mandated under Rule 211(i) of the GFR.

2.2.10.5 Short execution of civil works

Paragraph 325 of the Nagaland Public Works Department Code (NPWDC) states that the Measurement Book (MB) is a most important record, since it is the basis of all accounts of quantities whether of work done by the daily labour or by piece or by contract, or of materials received. The MBs must be an original record of the actual measurements of works done or materials received recorded at the site of work. Further, Paragraph 341 of the NPWDC stipulated that before the bill is prepared, entries in the MB relating to the description and quantities of work or supplies should be scrutinised by the SDO and the calculation of and "contents or area" should be checked under his supervision.

Scrutiny of the project estimates, Running Account (RA) bills and MBs showed that four out of five PIUs incurred an expenditure of ₹4.27 crore for construction of diversion weirs, sedimentation tanks, slow sand filters, RCC main reservoirs, RCC sub-reservoirs and brick masonry tanks in 11 habitations. Scrutiny of the records further showed that these works were executed by the WATSAN Committee and contractors. To ascertain the actual execution of these works, a JPV was conducted (June-August 2024) which showed that there was short execution of various items of work in these habitations amounting to ₹2.53 crore, as detailed in ***Appendix-2.2.7.*** Despite the shortfall in work executed by the WATSAN, the PIUs released the full payment to WATSAN committee resulting in excess payment of ₹2.53 crore.

In reply, the State Government stated (November 2024) that payments were made to the WATSAN Committee/vendors/contractors after obtaining completion report from Third Party Inspection Agencies duly countersigned by the respective Deputy Commissioner of the district.

The reply of the State Government is not acceptable on the following grounds. Audit findings are based on physical verification (JPV), which revealed that infrastructure created under JJM schemes was of lesser size and capacity than specified in the

DPRs, despite full payment being released. The reliance on Third Party Inspection Agency reports and Deputy Commissioners' countersignatures cannot justify or validate excess payments in cases where actual ground measurements contradict certified reports. This indicates serious lapses either in inspection quality or in verification procedures and raises concerns regarding the effectiveness of oversight and accountability mechanisms. The Department has not initiated any recovery or corrective action, despite financial loss to the public exchequer.

2.2.10.6 Centralised tendering

Paragraph 5.4 (iv) of the JJM Operational Guidelines states that the GP and/or its sub-committee, *i.e.* VWSC/Paani Samiti/User Group would procure construction services/goods/materials from agencies/vendors as finalised by the SWSM through centralised item rate tendering. As the districts of Dimapur, Chumukedima and Niuland are located in the plains of the State, the primary source of water is limited to deep tube wells. Examination of records showed that the WATSAN Committee of the test-checked villages of these three districts constructed 52 deep tube wells in nine habitations as shown in **Table 2.2.6**.

Table 2.2.6: Statement showing details of deep tube wells constructed

Sl. No.	Name of the district	Name of the Village	No. of Deep Tube wells
1.	Chumukedima	Thilixu Village	9
2.		Unity Village (Sugar Mill)	12
3.		Zani	2
4.		Phaipijang	3
5.		Diphupar 'A'	18
6.	Niuland	New Showuba	4
7.		Sukhato	1
8.		Hevikhe	2
9.	Medziphema	Pherima 'A'	1
Total			**52**

Source: Departmental records

Audit observed that the PIUs of these three districts, in violation of the prescribed guidelines, did not adopt the centralised item rate tendering to engage experts and machinery for the construction of 52 deep tube wells. Audit further observed that the work orders were issued to the WATSAN, however, there were no records to prove that specialised machineries or experts were engaged for execution of these works. Though the wells were reported to be functional, the DPR prescribed depths of 90 to 170 metres and the non-utilisation of specialised equipment and technical expertise casts doubt on the manner of their construction.

In reply, the State Government stated (November 2024) that no separate tendering system for selecting the firms was adopted and that the respective WATSAN Committee engaged professionals for the installation of deep tube well under supervision by the PIUs.

The State Government's reply is not acceptable because as per JJM Guidelines, procurement for works such as deep tube well construction must be done through

centralised item rate tendering to ensure transparency, competitive pricing, and technical quality. The Department not only failed to follow this process but also could not produce any documentation to substantiate the engagement of qualified professionals or the use of specialised machinery. In view of the technical complexity of drilling wells up to 170 metres deep, the absence of such records raises serious doubts about the authenticity and quality of execution. Moreover, mere supervision does not validate whether the execution met the technical specifications or whether qualified vendors were engaged.

2.2.10.7 Inadequate infrastructure for monitoring water quality

As per Paragraph 5.1.4 of the Drinking Water Quality Monitoring & Surveillance (DWQMS) Framework, the drinking water quality testing laboratories at sub divisional/block levels are the core agencies to test water quality parameters of local importance. The sub-division/block level laboratory Chemist is responsible for Water Quality Monitoring & Surveillance (WQMS) activities at the respective sub-division/ block level. The sub-division/block level laboratory Chemist-in-charge is to report to the Chemist-in-charge of the district laboratory for water quality, with an information copy marked to the engineer-in-charge for rural water supply. Further, Paragraph 10.1 (i) of the JJM Operational Guidelines, stipulates that sub-division/block laboratory will test 100 *per cent* water sources under its jurisdiction; once for chemical parameters and twice for bacteriological parameters (pre and post monsoon) in a year, covering all water sources of a block for at least 13 basic water quality parameters. The Suggestive lists of instruments required for the State and district laboratories are incorporated in Annexure VI under sub-clause (xiv) of Paragraph 6.2 of the DWQMS Framework.

Examination of records showed the following deficiencies:

- Laboratories at block-levels were not established in any of the test-checked PIUs. As a result, monitoring of water quality crucial for ensuring the quality of water supplied to the communities was not done at the block levels.
- The State Laboratory (a National Accreditation Board for Testing and Calibration Laboratories (NABL) accredited laboratory) required 43 instruments of which only 21 instruments were partially available (***Appendix-2.2*.8**). Further, in the four test-checked district laboratories, out of 35 instruments required, only eight instruments were available (***Appendix-2.2.9***). As a result, these laboratories were not equipped with all the necessary instruments required to conduct bacteriological and chemical tests at the State and district levels.

The absence of well-equipped laboratories impeded the ability to detect waterborne diseases thereby compromising public health and safety.

While accepting the Audit observation, the State Government stated (November 2024) that all district laboratories are accredited by the NABL but laboratories were yet to be established at the sub-division/block level. It was also stated that there was no provision for microbiological testing facilities in the district laboratories and that

Microbiological testing for E.coli and total coliform was done at the State microbiology testing laboratory, Dimapur through Membrane Filtration Technique (MFT) twice a year. It was further stated that five women FTK users in all the villages were trained for water quality monitoring and surveillance activities, once for chemical and twice for bacteriological parameters through the use of H2S vial strip test (pre and post monsoon) and that surveillance is done at the village level while monitoring is done by the District laboratory in compliance with the framework.

The State Government's reply is not acceptable because while NABL accreditation of district laboratories is claimed, this claim is undermined by the admitted lack of essential instruments, including those required for microbiological testing. Moreover, the absence of sub-division/block level laboratories violates Paragraph 10.1(i) of the JJM Guidelines, which mandates localised and comprehensive testing coverage. Relying on centralised microbiological testing at Dimapur twice a year and basic FTK-based village testing does not meet the frequency, scope, or scientific rigour required under the Drinking Water Quality Monitoring and Surveillance (DWQMS) Framework. The reply, in effect, confirms the audit observation that the current infrastructure is inadequate for ensuring safe drinking water in the State.

2.2.10.8 Inadequate tests conducted in the laboratories

Paragraph 10.1 (ii) & (iii) of the JJM Operational Guidelines states that district laboratories would test 250 water sources/samples per month (*i.e.*, 3,000 in a year as per the target of roster available on Department/National Mission IMIS) covering all sources randomly spread geographically including the positively tested samples referred by the sub-division/block laboratory/mobile laboratory on 13 basic water quality parameters. Further, the State Laboratory would test at least five *per cent* of the total drinking water samples across all district level laboratories with random and uniform geographical spread including positively tested samples referred by district/ sub-division/block/mobile laboratory. While Paragraph 6.3.6 of the DWQMS Framework states that GPs and/or their sub-committee must ensure 100 *per cent* testing of drinking water sources, including private sources, and water supply at schools, anganwadi centres under their jurisdiction through the use of Field Testing Kits (FTKs) at least once in a month. The monthly test results are to be uploaded on the WQMIS portal.

Audit observed shortfall in conducting test as discussed below:

- There was shortfall ranging from 64 to 95 *per cent* in conducting laboratory tests over the last five years as shown in ***Appendix-2.2.10***.
- The district laboratories of the four test-checked districts did not conduct tests for sulphate, total arsenic, fluoride, nitrate, total coliform bacteria, and E. coli or thermo tolerant coliform bacteria as shown in ***Appendix-2.2.11***.
- Out of the target of 71,448 tests of water sources in the four test-checked districts through usage of FTKs, only 14,231 tests (19.92 *per cent*) were conducted as shown in ***Appendix-2.2.12***. Such low compliance indicates that

the required extent of water quality testing was not carried out, limiting assurance on safe drinking water.

Though Audit observed significant shortfalls in tests conducted, Audit also observed that the water test results from the State Laboratory and test-checked district laboratories did not indicate the presence of major waterborne diseases. This suggests that the water supplied was potable. However, the testing limitations may still pose potential risks, as some water quality issues might not have been fully detected.

While accepting the Audit observation, the State Government stated (November 2024) that targeted number of testing per month was not practicable to achieve each month due to shortage of manpower and other logistical problems. Besides, COVID-19 lockdown hindered the testing during 2020-2022. The shortfall in the FTK test results was attributed to several challenges like poor network connectivity, migration of trained FTK personal from respective villages and difficulties in updating the WQMIS portal.

The State Government's reply is not acceptable. While COVID-19 and issues with transport, equipment or staffing may have temporarily affected testing, the observed shortfall spans a five-year period, that is, not only during the COVID-19 period, but also in later years. The failure to conduct tests for critical contaminants such as fluoride, nitrate, and coliform bacteria poses significant risks to public health and violates JJM and DWQMS protocols. The systemic issues, such as unavailability of manpower and inability to retain or retrain FTK users, point to weak implementation planning and inadequate institutional support. Excuses related to network connectivity do not absolve the duty to collect and report water quality data, especially when field testing and manual record-keeping could be integrated. Therefore, the reply only reinforces the audit's conclusion that current water quality surveillance mechanisms are unreliable and may mask potential threats to safe drinking water.

2.2.10.9 Dissemination of test results

Paragraph 6.5 (iii) of the DWQMS Framework, states that all drinking water quality testing laboratories in the State are to maintain proper records of all details related to stock of chemical/consumables, instruments/equipment, sampling and analysis. The instrument/equipment is to be properly labelled and test reports made accessible to the concerned officials and to the concerned GP and/ or its sub-committee, *i.e.* VWSC/ Pani Samiti/User Group for taking up corrective action. The test results may also be displayed on GP notice board or at other suitable public place.

Interviews of members of the WATSAN Committees of the test-checked villages showed that the results of water testing conducted in the laboratory were not displayed to 13 out of the 34 habitations test-checked. Audit also independently observed that the results of the water testing were not displayed in any of the Panchayat offices within the villages, indicating that the general public remain unaware of the testing outcomes. The absence of communication regarding display of

the test results undermines transparency and hinders community awareness about water quality and safety.

While accepting the Audit observation, the State Government stated (November 2024) that the Department had instructed all the villages to display water test reports in the public institutions such as Gram Panchayats, schools, Anganwadi centres and Health centres to promote transparency and raise awareness of water quality during Swachh Jal Se Suraksha Campaign and FTK training sessions. The Department further assured to continue to take further necessary action to disseminate the test results.

2.2.10.10 Monitoring of water supplied

As per Paragraph 11.1 of the JJM Operational Guidelines, in Single Village Scheme and piped water supply with stand posts, it was necessary to have sensors to measure water drawn every day from different sources, water level in the bore-well in case of ground water based scheme and of switching on and off of pumps on the basis of overflow sensors in the storage tanks. The Guidelines further stipulated that Management Information System (MIS) should be developed for capturing the data collected through sensors and analysing them. It is important to have same data capturing formats and protocols across the States for data handling consistency. The States can also tweak the existing MIS, if they have, to meet the data consistency requirements.

Audit observed that no measures were taken to use sensors or develop an MIS for monitoring water supply in four out of the five test-checked PIUs. In the absence of the sensors and the MIS, these four PIUs were unable to measure the volume of water drawn daily from different sources, resulting in inefficiencies and difficulties in managing water resources effectively.

While accepting the Audit observation, the State Government stated (November 2024) that the Department had, on pilot basis, initiated IoTs[20] (Internet of Things) in four districts namely Phek, Niuland, Peren and Kohima and assured to consider installing IoTs in the remaining districts in a phased manner.

The fact, however, remains that water quality testing through FTKs was grossly inadequate and unless IoT systems are scaled up across all districts, assurance regarding the safety of drinking water cannot be ensured.

2.2.10.11 Manpower Management

Paragraph 4.3 (iii) (b) of the DWQMS Framework states that States should decouple the functions of water service delivery and water quality testing to develop trust, transparency and accountability. A Drinking Water Quality Commissionerate is to be

[20] IoT-enabled sensors are installed in water sources (wells, pipelines, treatment plants) for real-time monitoring. These sensors continuously measure parameters such as pH, turbidity, temperature, TDS (Total Dissolved Solids), chlorine, iron, fluoride and arsenic, and transmit the data instantly to a central dashboard. The system also reduces dependence on manual FTKs.

constituted to decouple the functions. The States may designate the Chief Chemist to oversee the functioning of laboratories, water quality testing, monitoring and surveillance at all levels. Further, Paragraph 5.1.2.1(ii) of the DWQMS Framework stated that SWSN should nominate Chief Chemist of the Drinking Water Quality Commissionerate as a member of the executive committee of SWSM. The suggestive guidelines for staff required for various levels of laboratories as determined in Paragraph 5.2 of the DWQMS Framework and the available manpower in the Laboratories are shown in **Table 2.2.7**.

Table 2.2.7A: Manpower Shortfall in State-Level Laboratories

Designation	Manpower Required	Manpower Available	Shortage
Chief Chemist /Chief Analyst	1	0	1
Senior Chemist/Senior Analyst	1	0	1
Chemist/Water Analyst	2	1	1
Microbiologist/ Bacteriologist	1	1	0
Laboratory Assistant	3	1	2
Data Entry Operator	2	0	2
Lab Attendant	2	4	+2
Field Assistant (need-based)	2	0	2

Table 2.2.7B: Manpower Shortfall District-Level Laboratories
(Cumulative for four test-checked districts)

Designation	Manpower Required	Manpower Available	Shortage
Chemist/Water Analyst	4	4	0
Microbiologist	4	0	4
Laboratory Assistant	8	0	8
Data Entry Operator	4	0	4
Lab Attendant	4	4	0
Field Assistant	8	0	8

Source: Departmental records

As can be seen from **Tables 2.2.7A** and **2.2.7B**, except for two categories of employees, the State laboratories were operating without the prescribed manpower. There were shortages in the cadres of Chief Chemist/Water Analyst, Senior Chemist/ Water Analyst/Microbiologist, Chemist/Water Analyst, Laboratory Assistant, Data Entry Operator and Field Assistant in the laboratories of all the four test-checked districts. This shortage of personnel both in the State and District Laboratories hindered the efficiency and effectiveness of the laboratories in conducting necessary tests which in turn affected the effective monitoring of water quality.

While accepting the Audit observation, the State Government stated (November 2024) that except for the State Chemist, 11 District chemists and two microbiologists sanctioned at the State Laboratory were engaged and paid fixed monthly honorarium under the support activity fund of JJM. It was also stated that the Department has initiated efforts for the creation of the sanctioned posts, but that these are yet to materialise.

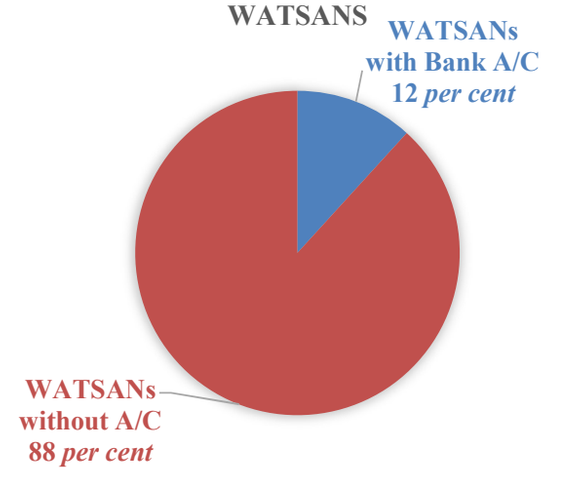
The State Government's reply, while acknowledging the shortfall, does not fully address the core issue. Engagement of chemists and microbiologists on an honorarium basis is a temporary solution and does not ensure the continuity, quality, and accountability required for rigorous water quality monitoring. Moreover, the reply is silent on the shortage of other key support staff (lab assistants, field assistants, and data entry operators), who are essential for sample collection, testing, and data management. The continued absence of sanctioned positions and lack of permanent staff undermine the State's ability to sustain water quality surveillance as required under the DWQMS Framework.

2.2.10.12 Community Contribution

Paragraphs 6.1.2 and 7.11 of the JJM Operational Guidelines states that for in-village piped water supply infrastructure and related source development in the North-Eastern States implemented by GP and/or its sub-committee, the beneficiaries will contribute five *per cent* of the capital cost in the form of cash and/ or kind and/ or labour. Further, as per Paragraph 6.1.4 of the JJM Operational Guidelines, the beneficiaries shall also make contribution to meet the recurring charges at the rate prescribed by the respective village community. While Paragraph 5.4 (vii) of the JJM Operational Guidelines stipulated that the GP and/or its sub-committee will open bank account/use existing account of the GP for community contribution and for depositing O&M service charge. In case an existing account is being used, it should be ensured that a separate ledger is maintained for community contributions.

Examination of records followed by interviews with the Chairman of the WATSAN Committee showed that out of 34 test-checked WATSAN Committees, 30 had not opened any bank accounts for the deposit of community contributions towards the required five *per cent* of the capital cost.

Chart 2.2.4: Bank Account Status In Test-checked WATSANS



Audit further observed that these 30 WATSAN Committees had also not collected contribution towards the O&M service charge. Failure to collect recurring costs may lead to a decline in service delivery and poor upkeep of the assets created.

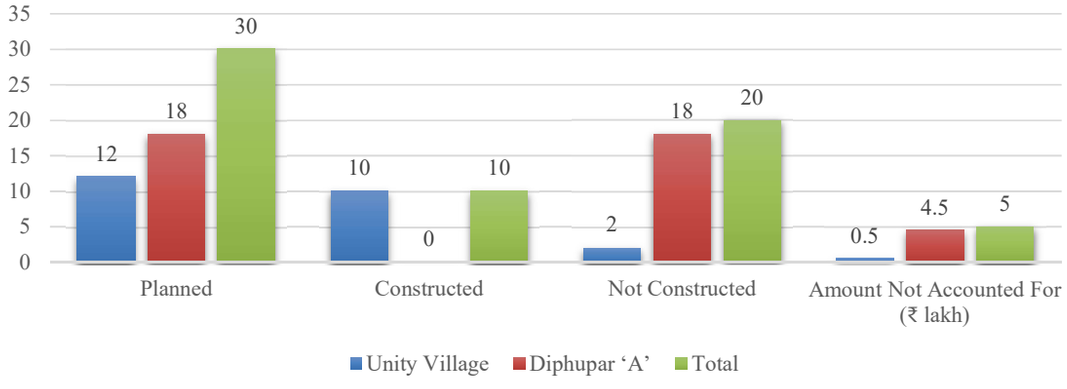
While accepting the Audit observation, the State Government stated (November 2024) that community contributions were typically made in cash, kind or labour. It was also stated that verification would be conducted across all villages and in cases where cash contributions are involved, the Department will direct the WATSANs to maintain bank accounts and that necessary step will be taken to establish regular monitoring and auditing.

The claim of the State Government on community contributions were made in kind or through labour could not be substantiated due to the absence of supporting documentation or valuation records. Further, the JJM Guidelines explicitly mandate the maintenance of bank accounts or separate ledgers to record such contributions, an obligation that was not fulfilled by 30 out of 34 WATSAN Committees. Assurances of future verification and monitoring do not address the underlying systemic failure to institutionalise community participation and ensure financial transparency, as required under the JJM framework.

2.2.10.13 Suspected Fraudulent payment in construction of recharge structures

As per sub-clause (iii) of Chapter 1 of the Introductory Para of the JJM Operational Guidelines, source sustainability measures such as aquifer recharge, rain water harvesting, increased storage capacity of water bodies, reservoirs and de-silting may be taken to improve the lifespan of water supply systems. Examination of the records showed that in two test-checked villages, 30 recharge structures valued at ₹7.50 lakh were projected in the DPR. Scrutiny of the Measurement Books (MBs) showed that the measurements recorded in the MBs were authenticated by the Sub-Divisional Officer (SDO) and the Executive Engineer (EE). Based on the authentication, these recharge structures were constructed and full payments made to the WATSAN Committees. A JPV conducted in June 2024, however, showed that contrary to the measurements recorded in the MBs, 20 recharge structures valued at ₹Five lakh were not constructed in two selected villages as shown in **Chart 2.2.5.**

Chart 2.2.5: Construction of Recharge Structures in Two Selected Villages



Source: Joint Physical Verification

The false recording and subsequent authentication of such measurements in MBs indicate deliberate misrepresentation of facts by the officials concerned. These falsified entries facilitated release of payments without actual execution of corresponding works, resulting in suspected fraudulent expenditure. Despite the absence or shortfall in execution, the authentication by the SDO and EE, enabling payment from Government funds.

While accepting the Audit observation, the State Government stated (November 2024) that steps would be taken to ensure the construction of the remaining recharge structures as per the DPRs.

The reply is not acceptable as it does not address the failure in supervisory oversight that led to the release of full payment for incomplete works. The assurance of future construction does not regularise the irregular expenditure of ₹Five lakh incurred for non-existent assets.

2.2.11 Audit Objective: Whether programme objectives (output and outcomes) have been achieved successfully.

2.2.11.1 Progress of Household Connections in the State

Paragraphs 3.3 and 3.6 of the JJM Operational Guidelines states that the broad objectives of the Mission were to ensure that every rural household has a FHTC by 2024 to provide drinking water in adequate quantity (minimum 55 lpcd) of prescribed quality (BIS:10500) on regular basis. Further, Paragraph 7.1 of the JJM Operational Guidelines stipulates that the fund requirement for capital expenditure for JJM has to be arrived at on the basis of the remaining households to be provided with FHTCs as per the 'per household cost'.

Scrutiny of records showed that for the 34 test-checked villages of the four test-checked districts, 16,288 FHTCs were proposed in the DPRs at a cost of ₹61.14 crore. Budgetary provisions were then made based on this proposed number of FHTCs and the full amount released to the implementing units. Audit observed that though funds for 16,288 FHTCs were released to the PIUs, the Department reported installation of 14,102 FHTCs in the JJM IMIS (March 2024). Interview of the Chairmen/Secretaries of the WATSAN Committees in turn showed that only 8,251 (50.66 *per cent*) FHTCs were actually provided in the 34 test-checked villages. Audit also conducted a survey of 493 beneficiaries of the 34 test-checked villages in which 89 beneficiaries stated that FHTCs were provided on sharing basis as discussed below:

- 46 respondents stated that one connection was provided for two households;
- 21 respondents stated that one connection was provided for three households;
- 21 respondents stated that one connection was shared between five households; and
- One respondent stated that one connection was shared by six households.

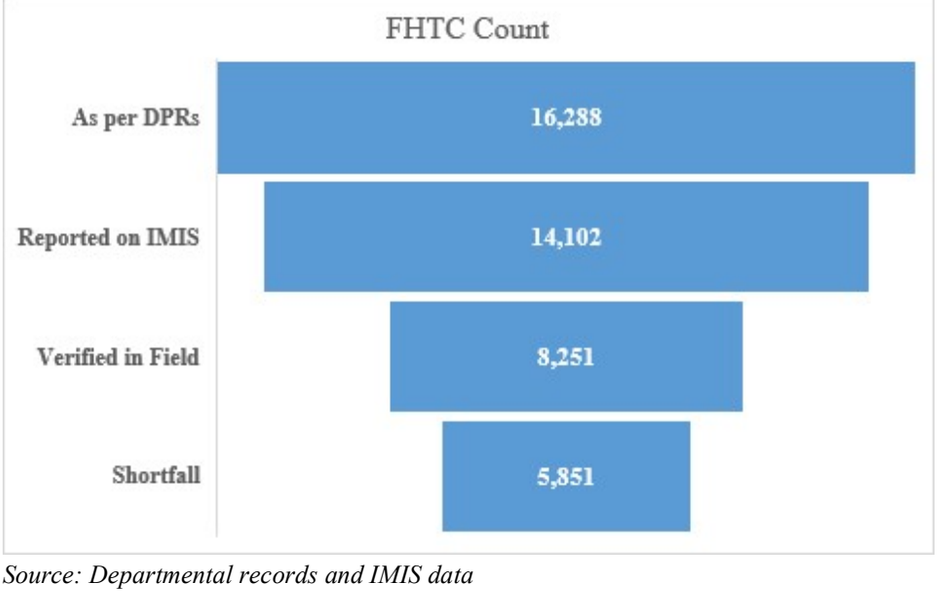
Photographic evidence of FHTCs shared with multiple households is shown in **Photograph-2.2.4**.

Photograph-2.2.4

Showing provision of FHTC on the road side for sharing of households at Pangti village, Wokha district.

Showing provision of FHTC on the road side for sharing at Kiphire village, Kiphire district.

Chart 2.2.6: Comparative number of FHTC Count



Source: Departmental records and IMIS data

Thus, not only were beneficiaries deprived of the benefits of FHTCs, but reporting in the JJM IMIS was erroneous and expenditure of ₹21.57 crore on the purported construction of 5,851 FHTCs (***Appendix-2.2.13***) fictitious.

While accepting the Audit observation, the State Government stated (November 2024) that out of 34 villages, JJM in six villages is implemented by the RD Department and in the other 28 villages, JJM is implemented by PHED and that the Scheme in 18 villages was still on-going and yet to be certified. It was also stated that steps would be taken to reconcile discrepancies between the reported and actual FHTCs provided and ensure that the remaining households are provided FHTCs as per the DPR under PHED covered villages.

The reply is not acceptable. Premature reporting of completed FHTCs in the JJM IMIS, without field validation or certification, points to systemic lapses in monitoring and data accuracy. The distinction between PHED and RD implementation does not address the core issue of over-reporting. The audit finding of 5,851 unverified or non-functional connections involving an expenditure of ₹21.57 crore remains unaddressed.

The State Government should fix responsibility on the officials concerned for over-reporting of FHTCs and the resultant unverified or non-functional connections involving an expenditure of ₹21.57 crore. A comprehensive verification of the reported connections should be conducted and appropriate action should be initiated against those responsible. Further, a robust monitoring mechanism should be instituted to ensure accuracy in reporting and avoid such lapses in future.

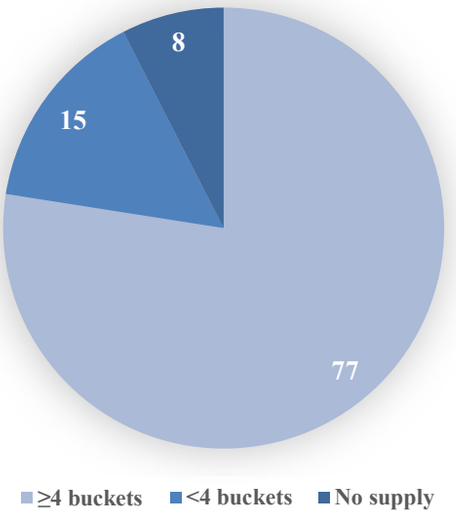
2.2.11.2 Insufficient water supply

Paragraph 3.4 (v) of the JJM Operational Guidelines states that one of the main objectives of the Mission is to provide FHTCs at minimum service level of 55 lpcd. Further, Paragraph 3.2 (i) of the JJM Operational Guidelines states that the Mission is aimed at assisting, empowering and facilitating States in planning of participatory rural water supply strategy for ensuring potable drinking water security on long-term basis to every rural household and public institution, *viz.* GP buildings, Schools, Anganwadi Centres, Health Centres and Wellness Centres.

Audit observed that in seven out of the 34 test-checked villages, though an amount of ₹10.83 crore was incurred reportedly for providing FHTCs to 3,045 households, no individual pipelines were laid and connected to the households thereby depriving the benefit of tap water supply to those households. To assess the extent of coverage of the JJM, Audit conducted a survey (June-August 2024) of 493 beneficiaries in which:

- 382 respondents stated that they received four buckets of water per day;
- 74 respondents stated that they received less than four buckets of water per day; and
- 37 respondents stated that regular supply of water has not commenced.

Chart 2.2.7: Coverage of JJM in respect of 493 Beneficiaries
(in *per cent*)



Despite incurring an expenditure of ₹10.83 crore, the intended household tap connections in seven test-checked villages were non-functional due to non-laying of pipelines. Field survey further revealed that a significant number of beneficiaries were either receiving water far below the prescribed norm of 55 litres per capita per day or had not received any regular water supply. This indicates that the objectives of the Mission, ensuring functional household tap connections and providing adequate quantity of potable water, were not achieved in the test-checked areas.

While accepting the Audit observation, the State Government stated (November 2024) that immediate corrective measures would be taken to complete the pending work in the seven villages. With regard to the quantity of water supplied, the Department stated that due to selection of 'low hanging fruits' of cost effective sources, climate change, huge fluctuations in dry and monsoon seasons, source water discharge, deforestation, various man-made and natural factors, source sustainability was a major issue that needs to be addressed.

The reply is not acceptable. While the Department attributes inadequate supply to natural and design factors, it fails to explain why DPRs were sanctioned and implemented without ensuring source sustainability. Further, release of funds despite non-laying of pipelines and premature reporting of FHTCs as completed indicate serious lapses in planning, implementation, and supervision.

2.2.11.3 Progress of FHTC provided in public institutions

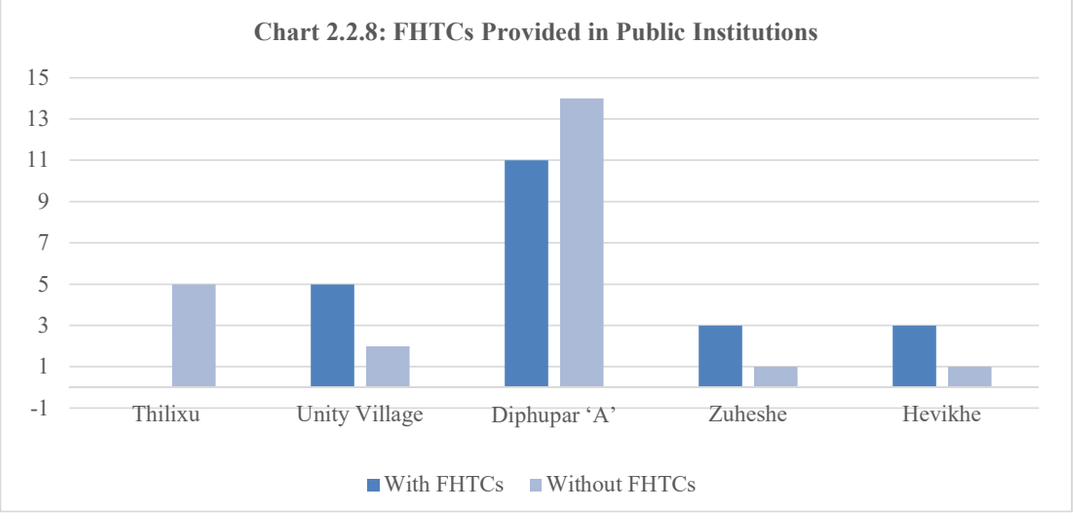
Paragraph 3.2 (i) of the JJM Operational Guidelines stated that the Mission is was aimed at assisting, empowering and facilitating States in planning of participatory rural water supply strategy for ensuring potable drinking water security on long-term basis to every rural household and public institutions, *viz.* GP buildings, Schools, Anganwadi Centres, Health Centres and Wellness Centres.

Audit observed that in the three test-checked districts all public institutions were provided water supply. However, five test-checked villages of Dimapur district, all the public institutions had not been provided FHTCs (June 2024) as shown in **Table 2.2.8**.

Table 2.2.8: Details of FHTC in public institutions in Dimapur Districts

Sl. No.	Village	Number of Public Institutions in the Village	Number of Public Institutions in the Village where FHTC is provided	No. of Public Institutions where FHTC not provided
1.	Thilixu village	5	0	5
2.	Unity Village	7	5	2
3.	Diphupar 'A'	25	11	14
4.	Zuheshe	4	3	1
5.	Hevikhe	4	3	1
Total		**23**		

Source: Department records and JPV



As may be seen from **Table 2.2.8**, despite incurring an expenditure of ₹10.83 crore, the intended household tap connections in seven test-checked villages were non-functional due to non-laying of pipelines. Field survey further revealed that a significant number of beneficiaries were either receiving water far below the prescribed norm of 55 lpcd or had not received any regular water supply. This indicates that the objectives of the Mission which was to ensure functional household tap connections and to provide adequate quantity of potable water were not achieved in the test-checked areas.

In reply, the State Government stated (November 2024) that water supply to public institutions such as schools, Anganwadi Centres and community buildings was to be covered under the XV FC tied grants implemented by the RD Department.

The reply is not acceptable since the estimation for connection of FHTC to public institutions, such as schools and Anganwadi Centres, was already included in the approved DPRs of villages under JJM and the work should have been done.

2.2.11.4 Non-conduct of Social audit

Paragraph 5.4 (Clause xviii) of the JJM Operational Guidelines states that the GP and/ or its sub-committee, will undertake social audit. Further, Section 5 of the Handbook of Gram Panchayats states that social audit will be carried out by the GP or VWSC to ensure transparency, inclusivity and accountability in the management of water resources in the village by following the steps listed:

- Place key issues for discussion in the Gram Sabha;
- Facilitate and ensure active participation;
- Inclusion of SCs, STs and poor households;
- Display key information publicly;
- Maintain key documents; and
- Prepare a citizen's charter.

Interviews of WATSAN Committee Chairpersons showed that, out of 34 test-checked villages across the four test-checked districts, only 10 villages had conducted social audits. Audit also observed that in the villages where social audits were carried out, no reports were prepared regarding the social audits conducted. In the absence of records of social audit conducted, Audit could not ascertain whether issues related to coverage, quality, sustainability, impact, O&M and user satisfaction were examined and publicly discussed in any of the social audits of the test-checked villages. The failure to institutionalise regular, documented social audits undermines accountability, citizen engagement, and the transparent implementation of the JJM.

While accepting the Audit observation, the State Government stated (November 2024) that social audit would be conducted for the remaining villages and an evaluation study of JJM implementation in the State will also be undertaken. However, the reply was silent on the maintaining proper documentation of discussions held during the social audits.

The reply is not acceptable. Social audit is a mandatory requirement under the JJM Guidelines and the GP Handbook for ensuring transparency, accountability, and inclusive participation at the grassroots level. The absence of documented social audits in 24 out of 34 test-checked villages, and lack of reports even in those where audits were claimed to be conducted, reflects systemic weaknesses in community oversight. Promises of future action do not address this failure in institutional accountability.

2.2.11.5 Grievances Redressal

Paragraph 3.6.2 (JJM Operational Guidelines) stipulated that the State may create an independent regulatory body for the water supply sector that would decide the terms and conditions for the water supply service provision by various agencies, tariff fixing and monitoring its collection and resolving the disputes and would also act as a water supply ombudsman so that any aggrieved user can approach it for redressal of her/his grievances.

The Department established (January 2022) a Grievances Redressal Cell and Helpline Solution. This system aimed to provide an organised framework for receiving,

addressing and resolving customer enquiries, complaints, disputes and grievances related to water and sanitation services. Citizens can lodge their complaints, queries and grievances by calling the dedicated helpline at Toll-free Number-1800-345-3853 or dedicated incoming number-03862-237535.

Details report of Grievances Redressal cases raised and settled under JJM during January 2022 to March 24 are detailed below:

Number of cases raised	Number of settled case	Number of cases pending settlement
20	20	0

2.2.12 Conclusion

The JJM was launched with the objective of providing potable water of prescribed quality to rural areas through Functional Household Tap Connections. This Performance Audit however showed multiple shortcomings, raising serious concerns about the scheme's successful implementation and effective outcomes. VAPs were prepared without conducting required baseline surveys and data maintained by the Department was inconsistent and unreliable as exemplified by the inflated population figure. The procurement process was flawed and arbitrary leading to substantial financial losses to the Government. Materials were shown to have been transported by non-existent vehicles and vehicles without the designed capacity to transport pipes and tanks. In the test-checked villages, only 50.66 *per cent* of the households have been provided FHTCs. The laboratories meant for conducting biological and chemical tests were functioning without the required instruments.

The State Government’s replies, though accepting many audit observations, often relied on future assurances and did not fully address the underlying lapses in policy implementation, institutional oversight, and fiduciary responsibility. Unless these issues are urgently and comprehensively addressed, the long-term goals of JJM may remain unfulfilled, putting at risk both infrastructure sustainability and community trust.

Thus, the objective of the JJM to provide adequate amount of portable water on which an expenditure of ₹1,416.93 crore had been incurred during the period under review, was not fully achieved.

Recommendations:

The State Government may:

A. Strengthen Institutional Planning and Governance

- ***(i) Ensure mandatory baseline surveys and need assessments are conducted prior to the preparation of Village Action Plans (VAPs) and align projections with Census and verified household data.***
- ***(ii) Empower GPs and VWSCs with training, tools, and supervision to prepare realistic, community-owned plans.***

B. Improve Procurement and Financial Transparency

- ***(iii) Discontinue nomination-based procurement. Adopt centralised e-tendering in line with JJM Guidelines and GFR provisions to ensure transparency and value for money.***
- ***(iv) Adhere strictly to timelines for release of Central and State shares to prevent implementation delays.***

C. Ensure Functional and Sustainable Infrastructure

- ***(v) Mandate use of Hydro-Geo-Morphological (HGM) maps and smart sensors for better site selection, source sustainability, and daily monitoring of water drawal and distribution.***
- ***(vi) Conduct third-party validation of all completed works to assess physical and functional status, with accountability for incomplete or non-functional systems.***

D. Strengthen Water Quality Monitoring

- ***(vii) Establish fully equipped and staffed laboratories at sub-division and district levels with microbiological testing facilities and standard protocols.***
- ***(viii) Ensure 100 per cent source testing and FTK usage is achieved and recorded in WQMIS. Address manpower and connectivity gaps.***

E. Foster Community Ownership and Transparency

- ***(ix) Enforce collection and accounting of the 5 per cent capital cost and O&M contributions from beneficiaries through designated bank accounts.***
- ***(x) Institutionalise regular social audits and ensure public display of water quality test results at Panchayat offices and public institutions.***
- ***(xi) Intensify Information, Education & Communication (IEC) campaigns and participatory rural appraisal (PRA) activities to build local ownership and user awareness.***

F. Monitoring and Accountability

- ***(xii) Operationalise the JJM dashboard across all PIUs and integrate it with local MIS for consistent real-time monitoring.***
- ***(xiii) Conduct annual independent evaluation of scheme performance with feedback loops into future planning.***

SOCIAL WELFARE DEPARTMENT

2.3 Implementation of Integrated Child Development Services (ICDS) Scheme in Nagaland

Audit Snapshot

Why did we do this audit?

- To check if the Scheme was implemented as per policies, rules, and guidelines.
- To assess if allocated funds were used economically, efficiently, and effectively.
- To examine if services were institutionalised and structures strengthened at all levels.
- To verify if the Scheme improved outcomes for children, adolescent girls, and mothers.
- To assess convergence, public awareness, and monitoring systems under the Scheme.
- To determine whether the intended outcomes of the Scheme were actually achieved.

What did we find?

- No household survey was conducted, so the total number of eligible beneficiaries was unknown.
- Aadhaar seeding was minimal despite spending ₹3.43 crore for the purpose.
- Inadequacy of infrastructure across all test-checked 46 AWCs.
- ₹2.45 crore was paid to a supplier against the short-delivery of 119.71 MT of food items.
- Children were denied ECCE benefits due to unavailability of pre-school kits and books in 41 out of 46 (89 *per cent)* test-checked AWCs.
- Only 28 *per cent* of beneficiaries were monitored through Poshan Tracker App despite wide coverage.

Registered Beneficiaries: 5.48 lakh

Operational Anganwadi Centres (AWCs): 3,980

Total expenditure incurred: ₹1,191.55 crore

What do we recommend?

- To develop and apply a unified set of indicators for real-time monitoring and evaluation.
- To activate and ensure regular meetings of committees at all administrative levels.
- To enforce mandatory growth, anaemia, and birth weight tracking with regular audits.
- To implement training and accountability systems for AWWs and Supervisors.
- To use HMIS and Poshan Tracker data for targeted, data-driven nutrition interventions.

Source: NFHS-4 and NFHS-5

A Performance Audit (PA) on the "Implementation of Integrated Child Development Services (ICDS) Scheme" was carried out covering the period from 2018-19 to 2023-24. The Performance Audit brought out the following significant findings.

Highlights

- *The Department did not have information on the total number of eligible beneficiaries in the State as no household survey was conducted.*

Paragraph 2.3.11.1

- *Nagaland has 3,980 functional AWCs, against a population of 19,78,502 (2011 Census) and a projected population of 22,33,000 (2023), indicating that the number of AWCs is broadly adequate to meet the population-based requirement under the ICDS scheme as per prescribed norms, however, this did not ensure uniform access across all regions.*

Paragraph 2.3.13.1

- *Inadequacy of infrastructure viz. lack of prescribed space of 600 sq. feet, kitchen, check-up/examination room, space for outdoor activities, safe & storage facility, and sanitary block required for waste disposal across all test-checked 46 AWCs.*

Paragraph 2.3.13.2

- *An expenditure of ₹2.81 crore for procurement of medicine kits during 2018-2024 revealed serious lapses in inventory management, including non-maintenance of stock registers and untraceable distribution records.*

Paragraph 2.3.13.3

- *An expenditure of ₹1.36 crore for the procurement of uniforms and badges during 2021-2024 revealed absence of documentation in stock registers and non-receipt of supplies by the majority of sampled CDPOs.*

Paragraph 2.3.13.4

- *Aadhaar seeding of beneficiaries was minimal (14.51 per cent) out of 5,47,228 ICDS beneficiaries despite incurring an expenditure of ₹3.43 crore for this purpose.*

Paragraph 2.3.13.5

- *The Department paid ₹2.45 crore to the supplier against the short-delivery of 119.71 MT of food items to nine test-checked CDPOs.*

Paragraph 2.3.13.8

- *The benefit of Early Childhood Care and Education was denied to the children in the AWCs as pre-school kits and age specific books were not available in 41 out of 46 (89 per cent) test-checked AWCs.*

Paragraph 2.3.13.9

- *Out of 4,09,851 beneficiaries, only 1,13,619 beneficiaries (28 per cent) in the State are being monitored through Poshan Tracker App to track the nutritional status and growth of women and children, enabling timely intervention to combat malnutrition.*

Paragraph 2.3.15.2

- *A standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring was not formulated. Consequently, evaluation*

of the outcome-based indicators was not conducted at the district, block and village levels.

Paragraph 2.3.16.1

- *The State failed to maintain reliable and comprehensive data on key nutritional indicators such as stunting, wasting, underweight, anaemia, and low birth weight.*

Paragraphs 2.3.16.2 & 2.3.16.3

2.3.1 Introduction

The Integrated Child Development Services (ICDS) Scheme was launched on 02 October 1975 by the Ministry of Women and Child Development (MoWCD), Government of India (GoI), to improve the health, nutrition and education of the targeted beneficiaries which included children up to the age of six years, Pregnant and Lactating Mothers (P&LMs) and Adolescent Girls (AGs) aged 11-18 years. As per the notification (February 2009) of the MoWCD, all children below six years of age, pregnant women and lactating mothers are eligible for availing the services of the Scheme. Below Poverty Line (BPL) status was not a criterion for registration of beneficiaries under the ICDS. The Scheme is implemented by MoWCD at the National level and Social Welfare (SW) Department of the Government of Nagaland (GoN) at the State level. In 2017, the GoI also launched the National Nutritional Mission (NNM), which was later renamed (2018) as "Poshan Abhiyan", to augment the nutritional requirements of the targeted beneficiaries in a time-bound manner. 'Saksham Anganwadi[21] and Poshan 2.0' was launched in 2022, wherein three schemes - Anganwadi Services, Scheme for Adolescent Girls and Poshan Abhiyaan were re-aligned under Poshan 2.0 for maximising nutritional outcomes. The ICDS Scheme was being implemented in the State since 1975.

2.3.2 Objectives of the ICDS Scheme

The objectives of the ICDS Scheme were to:

- Improve the nutritional and health status of children aged up to six years;
- Lay the foundation for the proper psychological, physical and social development of the child;
- Reduce the incidence of mortality, morbidity, malnutrition and school dropout;
- Achieve effective co-ordination of policy and implementation amongst various departments to promote child development; and

[21] Saksham Anganwadi is a Government of India initiative, launched in 2021, under the Ministry of Women and Child Development (MWCD) aimed at strengthening and upgrading Anganwadi Centres (AWCs) to improve the delivery of services under the Integrated Child Development Services (ICDS) scheme.

- Enhance the capability of the mother to look after the normal health and nutritional needs of the child through proper nutrition and health education.

2.3.3 Targeted beneficiaries and services provided under the ICDS Scheme

The objectives of the Scheme were to be achieved through a package of six services by the MoWCD and the Ministry of Health and Family Welfare (MoHFW), GoI through the SW Department and the Health and Family Welfare (H&FW) Department of the State, as given in **Table 2.3.1**.

Table 2.3.1: Services, target groups and service providers under the ICDS Scheme

Sl. No.	Services	Target Groups	Service provided at the State level
1.	Supplementary Nutrition Programme (SNP)	Children below the age of six years, P&LMs and AGs of age 11-18 years	SW Department through Anganwadi Centres (AWCs)
2.	Pre-School (non-formal) Education (PSE)	Children (aged three to six years)	SW Department through AWCs
3.	Nutrition and Health Education (NHE)	Women (aged 15 - 45 years) and Adolescent Girls of age 11 - 18 years	• **Nutrition Education:** SW Department through AWCs • **Health Education:** H&FW Department through Auxiliary Nurse Midwife (ANM)/Medical Officer (MO)
4.	Immunisation	Children below six years and P&LMs	SW Department through ANM/ MO in coordination with AWCs.
5.	Health check-ups	Children below six years, P&LMs and AGs of age 11-18 years	SW Department through ANM/ MO in coordination with AWCs.
6.	Referral services	Children below six years, P&LMs and AGs of age 11-18 years	SW Department through ANM/ MO in coordination with AWCs.

Source: ICDS Scheme guidelines

The latter three services - immunisation, health check-ups and referral services - are offered to Scheme beneficiaries by the H&FW Department at AWCs during the monthly organised "Village Health and Nutrition Day (VHND)". Auxiliary Nurse Midwife (ANM) and Accredited Social Health Activist (ASHA) visit the AWCs and conduct activities related to immunisation, health check-ups and referrals.

2.3.4 Organisational structure

The Secretary of the SW Department, GoN is responsible for the overall implementation of the ICDS Scheme in the State. The Secretary, SW Department, is assisted by the Director, ICDS, SW Department, who is the implementing and coordinating officer of the Scheme.

The organisational structure of the SW Department and the H&FW Department at various levels for the implementation of the ICDS Scheme is given in **Chart 2.3.1**.

Chart 2.3.1A: The organisational structure of the SW Department at the various levels for the implementation of the ICDS Scheme

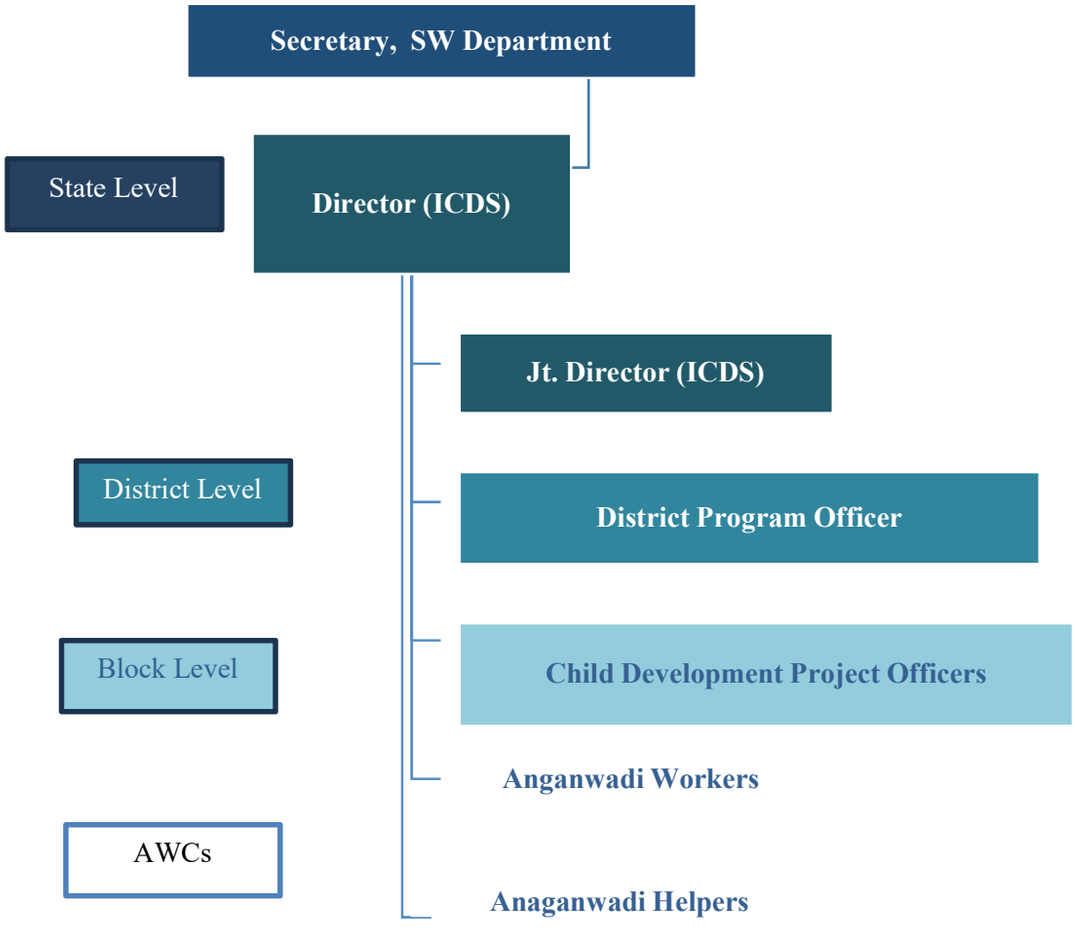
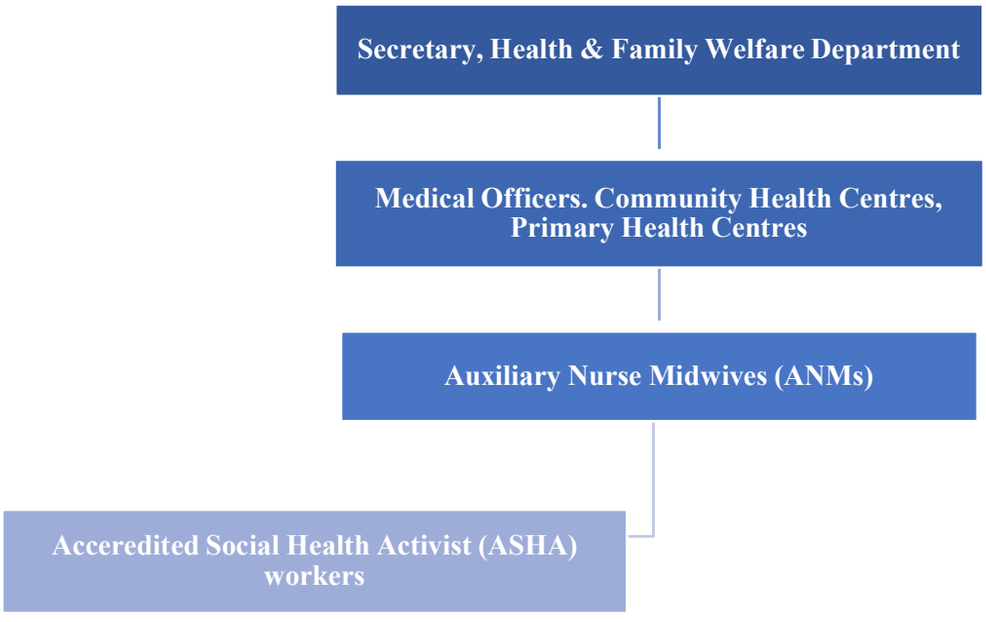


Chart 2.3.1B: The organisational structure of the H&FW Department at the various levels for the implementation of the ICDS Scheme



2.3.4.1 Institutional Mechanism of ICDS

A. State Level

Paragraphs 5.2 to 5.5 of the ICDS Mission - Broad Framework for Implementation (October 2012) stipulates that the State Mission Steering Group (SMSG) and the State Empowered Programme Committee (SEPC) under the chairpersonship of the Chief Minister and Chief Secretary respectively shall be set up to provide leadership, policy support and guidance for effective implementation of ICDS. Further, the functions under the State ICDS Mission would be carried out through the State Child Development Society (SCDS) headed by a State Mission Director.

The Director of SW Department, GoN is responsible for the implementation of policies and programmes in the State and is assisted by a Project Director, who oversees the implementation of the activities of the Poshan Abhiyaan.

B. District Level

At the District level, the District Programme Officer (DPO) acts as the Nodal Officer and is assisted by the Child Development Project Officers (CDPOs) in the blocks. Audit, however, observed that the DPOs were left out in the chain of distribution of, Medicine Kits, Uniforms and SNP food items which led to discrepancies as discussed in **Paragraphs 2.3.13.3, 2.3.13.4** and **2.3.13.8**.

C. Block level

At the block level, each ICDS project is under the charge of a CDPO assisted by Supervisors for the implementation of the scheme.

D. Village Level

At the village level, the Village Health Sanitation and Nutrition Committees (VHSNC) were one of the major platforms of convergent action at the grassroots levels with representation from different sectors. The VHSNC would be responsible for all activities to facilitate decision making at the AWC level. Further, Paragraph 2.2.1 (xii) of the Broad Framework for Implementation states that the VHSNCs would be actively engaged in the management and supervision of the ICDS programme at the village and local levels.

E. AWC Level

The AWW assisted by a Helper, looks after the delivery of services and activities of ICDS at the Anganwadi Centre. The AWWs also conduct regular health and nutrition education in the centres and home visits are carried out regularly.

Audit observed that the SMSG and SEPC were constituted; however, documented records of meetings convened and of policy support and guidance extended to the Department were not available. Audit also observed that the State did not constitute the SCDS, as a result, the scheme was implemented by the Directorate of SW Department. Audit further observed that there were no documented records of VHSNCs activities on convergence of different sectors, management and supervision

of health and nutrition at the village level. These deficiencies in institutional oversight are indicative of systemic weaknesses in leadership, inter-departmental convergence, and decentralised planning mechanisms, which are critical components for the effective implementation of the ICDS scheme.

On this being pointed out, the Government stated (June 2024) that the formation of the SCDS was under process and that the VHSNCs were not under the Department's administrative control and thus were not involved in managing and supervising the ICDS. It was further stated (October 2024) that meeting of the SEPC was held once in 2013. The reply of the Government is indicative of the fact that implementation of the scheme lacked the institutional support, guidance and supervision as prescribed by the guidelines.

The Government's reply is not acceptable. The prolonged delay in constituting the SCDS, despite being mandated under the ICDS Mission Framework since 2012, reflects a lack of institutional readiness to operationalise mission-mode implementation. The assertion that VHSNCs are outside the Department's control does not absolve the implementing agency of its responsibility to coordinate convergence activities at the village level as envisaged in Paragraph 2.2.1(xii) of the Broad Framework for Implementation. Moreover, convening a single meeting of the SEPC in 2013, with no documented evidence of follow-up policy guidance, indicates that the State-level bodies set up for strategic oversight and programme steering were effectively non-functional. These deficiencies compromised institutional accountability and undermined the integrated, community-based design of the ICDS scheme.

2.3.5 Audit Objectives

The Performance Audit was conducted to assess whether:

- the scheme was planned for implementation in accordance with the prescribed policy, rules and guidelines.
- the funds allocated under the Scheme were utilised economically, efficiently and effectively to achieve Scheme objectives.
- the scheme managed to institutionalise essential services effectively, economically and efficiently and strengthen structures at all levels ensuring children of the best possible start to life and improve health and well-being of Adolescent Girls as well as pregnant and lactating mothers.
- the ICDS has enhanced capacities at all levels and ensured convergence with the other related programs and scheme so as to maximise the impact and outcomes of ICDS.
- there existed a mechanism for raising public awareness and participation, creation of knowledge base for child development services and robust system for appropriate inter-sectoral monitoring of the scheme at all levels.
- the outcomes as envisaged in Scheme Guidelines were actually achieved.

2.3.6 Audit criteria

The audit findings were benchmarked against the following criteria:

- Scheme Guidelines/instructions issued by MoWCD, GoI;
- General Financial Rules (GFR), 2017:
- Department's Perspective, Annual Action and Annual Programme Implementation Plans;
- National Food Security Act, 2013;
- Standards fixed by the National Institute of Public Co-operation and Child Development (NIPCCD) for infrastructure of ICDS projects and training programmes;
- Instructions issued by GoN, prescribed norms for staffing and skill upgradation;
- Nagaland Public Works Department Code (NPWDC); and
- Monitoring mechanism instituted by the GoI and GoN.

2.3.7 Scope of Audit

The PA was conducted during June 2023 to May 2024 covering the period from 2018-19 to 2023-24. Records of the Directorate of Social Welfare and four out of nine DPOs, nine out of 60 CDPOs and 46 out of 3,980 AWCs were examined. Beneficiary survey of 208 beneficiaries in 46 AWCs under the four test-checked districts was conducted during the Audit.

2.3.8 Audit sampling

The district offices/institutions responsible for implementation of the scheme were sampled using Simple Random Sampling Without Replacement (SRSWOR) as follows:

- **Districts**: Out of 11 districts[22] in Nagaland, four districts[23] (36.36 *per cent*) were test-checked.
- **CDPOs**[24]: Of the four test-checked districts, 40 *per cent* CDPOs from each district were test-checked *i.e*. nine CDPOs out of 60 CDPOs in the State.
- **AWCs**[25]: Of the nine test-checked CDPOs, five AWCs or five *per cent* of AWCs, whichever is higher, were test-checked, totalling 46 AWCs.

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[22] Six new districts were created out of the existing 11 districts, hence at present; there are 17 districts in Nagaland. The Department, however, was yet to create functionary units for the new districts. Hence, sampling was performed considering the number of districts as 11 *viz*. Dimapur, Kiphire, Kohima, Longleng, Mokokchung, Mon, Peren, Phek, Tuensang, Wokha and Zunheboto.

[23] Dimapur, Kohima, Peren and Tuensang.

[24] Number of CDPOs: Dimapur - six , Kohima -five, Peren -five and Tuensang – eight.

[25] Number of AWCs: CDPO, Chiephobozou (05 out of 64), CDPO, Kohima Tribal (05 out of 106), CDPO, Longkhim (05 out of 61), CDPO, Sangsangnyu (05 out of 92), CDPO, Chare (05 out of 42), CDPO, Medziphema (05 out of 60), CDPO, Dimapur Urban (06 out of 129), CDPO, Jalukie (05 out of 95) and CDPO, Peren (05 out of 49).

- **Beneficiaries**: A total of 208 beneficiaries present during the Audit team's visit to the 46 test-checked AWCs were interviewed.

2.3.9 Audit approach and methodology

The PA commenced with an Entry Conference (05 June 2023) with the Secretary to the GoN, SW Department along with the Departmental officers[26] wherein audit objectives, criteria, scope and methodology were discussed. The audit methodology included examination of records and issue of requisition/questionnaires. Joint Physical Verification (JPV) during August - September 2024 was also carried out by Audit with department officials on assets and infrastructure created under the Scheme. The draft Report was forwarded to the State Government on 07 June 2024 and an Exit Conference was held on 22 July 2024 with the Secretary of the Department and Departmental officers[27]. The replies and comments of the State Government/Department are suitably incorporated in the Report.

2.3.10 Acknowledgement

The Office of the Accountant General (Audit), Nagaland acknowledges the assistance and co-operation extended by the SW Department and the H&FW Department during the conduct of Audit.

Audit findings

2.3.11 Audit Objective: *Whether the Scheme was planned for implementation in accordance with the prescribed policy, rules and guidelines?*

2.3.11.1 Database of beneficiaries

Paragraph 4.4 of the ICDS Mission - Broad Framework for Implementation stipulates conduct of household surveys and village micro planning exercises involving AWWs, ASHAs, community/women's groups, VHSNCs and Panchayati Raj Institutions. Further, Paragraph 4.2 of the Manual for District-Level Functionaries, 2017 stipulates that CDPOs should ensure coverage of all the eligible beneficiaries and preparation of a project report containing all the necessary/relevant baseline information.

Audit observed that the Department did not conduct household surveys. As a result, the Department did not possess information on the total number of eligible beneficiaries posing the risk of eligible beneficiaries in the entire State not getting the nutritional and health benefits provided by the Scheme. In the absence of verifiable beneficiary data, the Department cannot ensure comprehensive outreach or equitable service delivery under ICDS.

The State Government in its reply stated (June 2024) that household surveys were conducted during home visits but that records were not maintained. The evidence

[26] Director, Deputy Director, Registrar and Superintendent of the SW Department.
[27] Deputy Secretary, Director, Deputy Director, Superintendent and Accountant of the SW Department.

supporting the claim of the Government that household surveys were conducted was not documented. Moreover, while home visits under ICDS aimed at improving maternal and child health through direct and personalised interaction at beneficiary households, the number of eligible beneficiaries in the State could not be determined.

The State Government's reply is not acceptable. The reply admits that no records were maintained to substantiate the claim that household surveys were conducted during home visits. The ICDS Mission Framework and the Manual for District-Level Functionaries explicitly require the preparation and documentation of comprehensive baseline data on all eligible beneficiaries through formal household surveys and village micro-planning. Home visits, while an integral part of service delivery, cannot substitute for a documented and systematic enumeration of beneficiaries. In the absence of such records, the Department cannot demonstrate that all eligible individuals were identified and covered under the scheme, thereby undermining the objective of universal coverage and effective targeting of nutritional and health interventions.

2.3.11.2 Preparation of Annual Project Implementation Plan

Paragraph 6 of the ICDS Mission - Broad Framework for Implementation stipulates preparation and submission of the Annual Project Implementation Plan (APIP) to MoWCD, GoI emphasising a community-driven, decentralised planning approach through State and District Child Development Plans. Audit observed that while the APIP were prepared, they were done so without a bottom-up, decentralised and participatory planning process as requirements from the district, projects and village level were not accounted. Audit further observed that the APIPs were prepared at the Directorate level in anticipation of the requirement. This approach undermined the objective of community-led planning envisioned under the ICDS Mission Framework and reduced the responsiveness of project design to actual field-level requirements.

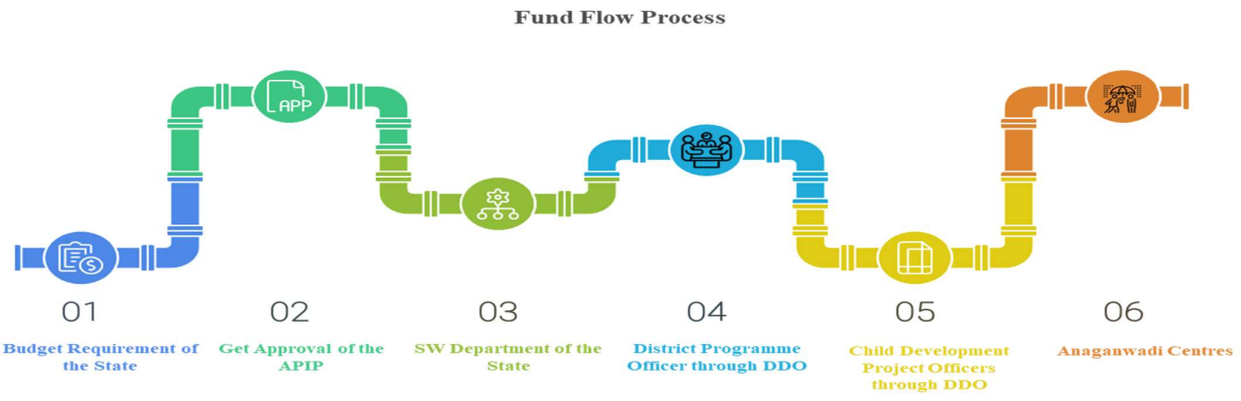
The State Government did not offer any comments on the Audit observation. However, the absence of a decentralised planning approach in the preparation of the APIPs constitutes a significant deviation from Paragraph 6 of the ICDS Mission - Broad Framework for Implementation, which mandates a community-driven, bottom-up planning process. Preparing APIPs at the Directorate level without consulting district, project, and village-level stakeholders compromises the participatory spirit of the scheme and results in top-down planning that may not reflect ground-level needs. Such practice weakens the alignment of scheme components with local requirements and may adversely affect the effectiveness and targeting of service delivery under ICDS.

2.3.12 Audit Objective: *Whether the funds allocated under the Scheme were utilised economically, efficiently and effectively to achieve Scheme objectives?*

2.3.12.1 Financial Management

The fund flow mechanism for funds under the ICDS scheme is as given in **Chart 2.3.2**.

Chart 2.3.2: Funds-flow process



Source: Information furnished by the Department

In the North Eastern Region, "**Saksham Anganwadi and Poshan 2.0**" which is an integration of Anganwadi Services (ICDS), Poshan Abhiyaan and Scheme for Adolescent Girls is implemented on a fund sharing pattern in the ratio of 90:10 between the Centre and the State Governments. The State Government submits APIP to the GoI, subsequently; GoI releases funds to the State on the basis of the approved APIP for onward transfer to the implementing Department. In addition to CSS, the State Government was also implementing Wheat Based Nutrition Programme (WBNP), a State Sector Scheme.

Audit observed that during 2018-2024, total funds released under ICDS (excluding WBNP) were ₹1,196.41 crore[28] against which the Department utilised ₹1,191.55 crore[29]. Audit further observed that the Department utilised ₹44.00 crore out of ₹44.01 crore released by GoN during 2018-2024 under WBNP. Details of allocation and expenditure under different sub-schemes during 2018-2024 are shown in ***Appendix 2.3.1.*** Audit observations are summarised below:

- There were persistent savings under Supplementary Nutrition Programme (11 to 35 *per cent),* a sub-scheme of Anganwadi Services and Poshan Abhiyaan thereby resulting in reduced nutritional support to intended beneficiaries as discussed in **Paragraph 2.3.16.2**.
- There was short release of fund by GoI in training (14.19 *per cent*), Upgradation of AWC to Saksham Anganwadi (23.48 *per cent*) and Uniform for AWWs and AWHs (32.92 *per cent*) against the approved APIP. The short release of funds by GoI led to delays and shortfalls in training,

[28] Central share ₹1,103.57 crore and State share ₹92.84 crore

[29] Anganwadi Services (₹1,050.61 crore) + Poshan Abhiyaan (₹94.80 crore) + Scheme for Adolescent girls (₹46.15 crore)

infrastructure upgradation and discrepancies in provision of uniforms as discussed in **Paragraphs 2.3.13.7, 2.3.13.2** and **2.3.13.4** respectively.

- The Department's expenditure reports exceeded the figures in the Annual Accounts by 19 to 74 *per cent* each year.

Despite substantial Central and State funding under Saksham Anganwadi and Poshan 2.0, implementation was adversely affected due to persistent savings, short releases by GoI, and inconsistent expenditure reporting, resulting in diminished programme efficacy and potential understatement of unutilised funds.

A. Short-release of State share

Sanction orders of MoWCD, GoI stipulate that the State Government should contribute its matching share in the ratio of 90:10 between the Centre and the State for effective implementation of the Scheme. Audit observed that there was short release of matching State share by GoN as shown in **Table 2.3.2.**

Table 2.3.2: Short release of State share

(₹ in crore)

Sl. No.	Year	GoI Release (90 *per cent*)	State Share supposed to be released (10 *per cent*)	State Share released by GoN (10 *per cent*)	Short-release of State share
(A) ICDS (SNP)					
1	2018-19	82.31	9.15	2.11	7.04
2	2019-20	73.90	8.21	6.73	1.48
3	2020-21	82.33	9.15	11.51	-2.37
4	2021-22	82.33	9.15	9.15	0.00
5	2022-23	89.18	9.91	6.86	3.05
Sub-Total (A)			**45.56**	**36.36**	**9.20**
(B) ICDS (General)					
6	2018-19	37.21	4.13	0.00	4.13
7	2019-20	77.26	8.58	0.00	8.58
8	2020-21	56.92	6.32	7.44	(-)1.12
9	2021-22	72.32	8.04	3.85	4.19
10	2022-23	83.46	9.27	9.27	0.00
Sub-Total (B)			**36.35**	**20.56**	**15.79**
(C) Poshan Abhiyaan					
11	2020-21	15.50	1.72	0.97	0.75
Sub-Total (C)			**1.72**	**0.97**	**0.75**
Grand Total (A to C)			**83.64**	**57.89**	**25.74**

Source: Departmental records

It can be seen from **Table 2.3.2** that during 2018-2023, GoN released ₹36.36 crore (79.80 *per cent*) only against its due share of ₹45.56 crore resulting in short release of ₹9.20 crore under ICDS (SNP). Similarly, GoN released ₹20.56 crore (56.56 *per cent*) only against its due share of ₹36.35 crore under ICDS (General). Further, there was short release of ₹0.75 crore during 2020-21 under Poshan Abhiyaan. For the year 2023-24, there was no short release under any of the schemes. The State Government's persistent short release of its mandatory share under ICDS and Poshan Abhiyaan between 2018-2023, totalling ₹9.95 crore, reflects systemic budgetary shortfalls and lack of financial prioritisation. This deviation from the mandated 90:10

fund-sharing norm undermined the effective implementation of nutrition and welfare schemes, reducing outreach and impact for intended beneficiaries. The shortfall indicates a recurring issue of non-compliance with scheme guidelines and weak financial governance at the State levels.

While accepting the Audit observation, the State Government stated (June 2024) that the matter would be brought to the notice of the State Finance Department.

The reply of the State Government is not acceptable. Merely forwarding the issue to the Finance Department does not address the systemic failure in timely and adequate budgeting for critical welfare schemes. Despite clear guidelines under the ICDS framework and repeated instances of under-release, no concrete corrective mechanism or accountability structure was proposed. This continued pattern of short release indicates institutional weaknesses in fiscal planning and a lack of ownership over essential child and maternal nutrition schemes.

2.3.12.2 Conclusion

The implementation of the ICDS scheme in Nagaland during 2018-2024 suffered from systemic weaknesses in infrastructure development, service delivery, convergence mechanisms, inventory management, financial propriety, and accountability. Despite substantial Central and State funding, the audit found widespread deficiencies in infrastructure at AWCs, irregularities in procurement and distribution of critical supplies (including nutrition, medicines, and uniforms), inadequate capacity building of field functionaries, poor utilisation of Aadhaar enrolment infrastructure, and failure to institutionalise effective convergence with the H&FW Department. These gaps severely compromised the core objectives of the ICDS Mission, to provide a strong foundation for child development, ensure maternal health, and address malnutrition in an integrated and sustainable manner.

2.3.13 Audit Objective: Whether the Scheme managed to institutionalise essential services effectively, economically and efficiently and strengthen structures at all levels ensuring children of the best possible start to life and improve health and well-being of Adolescent Girls as well as pregnant and lactating mothers?

2.3.13.1 Adequacy of AWCs

The ICDS Scheme Guidelines for Monitoring & Supervision envisage one AWC is to be set up for every 300–800 population in tribal, hilly and other difficult areas. Audit observed that Nagaland has 3,980 functional AWCs, against a population of 19,78,502 (2011 Census) and a projected population of 22,33,000 (2023), indicating that the number of AWCs is broadly adequate to meet the population-based requirement under the ICDS scheme as per prescribed norms, however, this did not ensure uniform access across all regions. Audit is of the view that the Department may consider undertaking geo-tagged mapping of AWCs to identify and address localised shortfalls and ensure equitable and effective service delivery, particularly in remote and underserved areas.

JPV of the 46 test-checked AWCs showed significant deficiencies in the infrastructure and facilities of these centres, as detailed in subsequent paragraphs.

2.3.13.2 Inadequate infrastructure at the 46 test-checked AWCs

The GoI instructions (March 2011) envisage that an AWC must have separate sitting room for children/women, kitchen, storeroom for storing food items, child friendly toilets, drinking water facility and space for playing. Further, Paragraphs 2.3 to 2.5 of the Operational Guideline of Food Safety and Hygiene for Supplementary Nutrition under ICDS mandated that an AWC should have child friendly toilets and water supply facilities, adequate supply of potable water with appropriate facilities for its storage, distribution for processing and cooking food and adequate drainage and waste disposal systems and facilities. Audit observed that out of the 3,980 operational AWCs, 2,425 AWCs were functioning in their own building, 394 AWCs were co-located in schools, 199 AWCs in Panchayat buildings and 962 AWCs were functioning in a rented building. During JPV (August-September 2023) of 46 AWCs[30] in the four test-checked districts, Audit observed that the Department failed to provide the following infrastructural requirements:

(i) Absence of or non-functional AWC Building

- There were no AWCs at Tuophema F (under CDPO, Chiephobozou) and Angangba E (under CDPO, Longkhim).
- Two AWCs[31] were non-functional under CDPO Peren.

(ii) Adequacy of space and basic facilities

- All the 46 AWCs did not have prescribed space of 600 square feet, kitchen, Check-up/Examination room, Counselling room, space for outdoor activities, safe and adequate storage facility and sanitary block required for waste disposal.
- Baby weighing scales were not available in 37 AWCs.
- Growth Chart was not available in 43 AWCs.
- Water storage container was not available in 41 AWCs.
- Electricity was not available in 38 AWCs.
- Drinking water and toilet facilities were not available in 45 AWCs.

(iii) Incomplete implementation of sanctioned projects for toilets and drinking water facilities

GoI sanctioned (March 2019 to October 2022) an amount of ₹3.01 crore[32] for construction of child friendly toilets in 1,264 AWCs and for providing drinking water

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[30] Infrastructure status of AWCs: own building-23, AWW's house-08, Panchayat Hall/Community building-08, temporarily housed -03, no centre -02 and non-functional -02.

[31] Mpai New and Peren Village I in Peren.

[32] MoWCD, GoI's
i. Sanction Order CD-II-14/7/2017-CD-II Dated 31 October 2022 released an amount of ₹136.51 lakh for provision of toilet facility in 632 AWWs

facilities in 1,069 AWCs. JPV showed that six AWCs[33], where the construction of toilet and drinking water facilities were stated to be provided, lacked toilet and drinking water facilities. Thus, despite clear infrastructure norms and Central funding support, implementation remained deficient due to weak convergence mechanisms, inadequate planning, and delayed fund release by partnering Departments. These systemic lapses compromised the quality of service delivery and denied intended beneficiaries access to basic health and nutrition services.

While accepting the Audit observation, the State Government stated (October 2024) that poor infrastructure is a matter of concern and assured that efforts are underway to identify and prioritise the infrastructural gaps. It was further stated that convergence with other Departments will help address and improve AWC infrastructure.

The reply is general and does not address the core issues highlighted by Audit. Despite the availability of Central assistance and the presence of convergence committees, the failure to ensure basic infrastructure at AWCs reflects a lack of coordinated planning, ineffective inter-departmental convergence and weak monitoring mechanisms. The absence of a clear action plan, timelines, or accountability for stalled construction and non-functional facilities further undermines service delivery to women and children.

2.3.13.3 Irregularities in procurement and distribution of medicine kits

Annexure III, Clause 3(ii) of the ICDS Mission - Broad Framework for Implementation stipulated provision of medicine kits for every AWC every year containing basic medicines for controlling common ailments such as fever, cold, cough, worm infestation and basic equipment for first aid. Further, Rule 208 of the GFR, 2017, *inter alia*, stated that details of the material received should be entered in the appropriate stock register. Audit observed that during 2018-24, the Department procured medicine kits on four occasions incurring an expenditure of ₹2.81 crore[34]. Audit, however, observed the following irregularities in these purchases:

- The medicine kits procured during 2020-2022 were not supported by delivery challans. Further, in violation of Rule 208 of the GFR, 2017, the Directorate, the test-checked CDPOs and AWCs did not maintain stock registers to account for the medicine kits. Thus, Audit could not ascertain the actual date of delivery of these medicine kits to the nine test-checked CDPOs for further distribution to AWCs. However, JPV (August-September 2023) of the test-checked 46 AWCs showed non-availability of medicine kits in 36 AWCs.

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ii. Sanction order No. CD-II-14/4/2019-CD-II Dated: 31 March 2020 released ₹117.22 lakh for provision of toilet facility in of 632 AWWs and drinking water in 544 AWWs, and

iii. Sanction order No. CD-II-14/7/2017-CD-II (e-43648) Dated: 01 March 2019 released ₹47.25 lakh for providing drinking water facilities in 525 AWWs.

[33] Kevijau C and Rio colony (CDPO (U), Dimapur), Old Tsadang C and Alisopor (CDPO Chare), Old Medical A1 (CDPO Sangsangyu), Rusoma A (CDPO Kohima Tribal)

[34] Bill No. 405 dated 31/03/2021 for ₹60.00 lakh, bill No. 196 dated 05/10/2021 for ₹59.70 lakh, bill No. 412 dated 27/03/2023 for ₹1.07 crore and bill No 43 dated 15/05/2023 for ₹0.54 crore.

- The medicine kits worth ₹1.07 crore procured in 2022-23 which were sent to the test-checked CDPOs were not received by eight test-checked CDPOs[35].

Despite incurring an expenditure of ₹2.81 crore for procurement of medicine kits during 2018-2024, Audit observed serious lapses in inventory management, including non-maintenance of stock registers and untraceable distribution records. The absence of internal controls and monitoring mechanisms resulted in non-availability of medicine kits at 36 out of 46 test-checked AWCs, and non-receipt of kits worth ₹1.07 crore by eight test-checked CDPOs. These deficiencies led to the denial of basic first-aid and health support services to the target beneficiaries, defeating the objective of this essential health intervention under the ICDS scheme.

The Government in its reply stated (October 2024) that medicine kits procured during 2020-2022 were distributed to AWCs and were exhausted during Audit inspection carried out in 2023. It was further stated that an amount of ₹1.07 crore was sanctioned by the State Government in 2022-23 for procurement of medicine kits and that the same was procured and distributed during 2023-24.

The reply of the Government is not acceptable. In the absence of stock registers at the Directorate, CDPO, and AWC levels, the claim regarding distribution and utilisation of medicine kits remains unsubstantiated. Further, certifications issued by CDPOs regarding non-receipt of kits between 2020 and 2023 contradict the Department's assertion. Audit maintains that the absence of requisite documentation and effective monitoring led to ineffective utilisation of funds amounting to ₹2.27 crore, resulting in the denial of basic healthcare services to the target beneficiaries.

2.3.13.4 Non-delivery of uniforms for AWWs and AWHs

Annexure XVIII of the ICDS Mission - Broad Framework for Implementation envisages provision of uniform and name badge to each AWWs and AWHs with a view to recognising their role and give them an "identity". As per norms, two sarees/ uniform set at ₹300 each per year are admissible to workers and helpers. Further, Rule 208 of the GFR, 2017, *inter alia*, states that details of the material received should be entered in the appropriate stock register. During 2018-19 to 2023-24, GoI sanctioned ₹1.35 crore[36] for the procurement of uniforms and badges. Audit observed that the Directorate after procuring did not record the details of the receipt and distribution of the procured uniforms and badges in the stock register, however, the payment was made through Bills without ascertaining the actual delivery of the materials. Audit further observed that:

- In 2021-22, ₹0.64 crore was spent to procure 8,994 uniforms[37], but six out of nine test-checked CDPOs did not receive uniforms for AWWs/AWHs.

[35] CDPO Chiephobozou, CDPO Kohima Tribal, CDPO Longkhim, CDPO Sangsangnyu, CDPO Chare, CDPO Medziphema, CDPO Dimapur Urban and CDPO Peren.

[36] 2021-22 (₹63.68 lakh), 2022-23 (₹71.64 lakh) & 2023-24 (nil)

[37] Payment of an amount of ₹0.64 crore was made (October 2021) to M/s Alim Enterprise, Dimapur

- In 2023-24, ₹0.72 crore[38] was utilised for procuring 7,000 uniforms and 5,129 badges; however, none of the nine test-checked CDPOs received these items.

Despite incurring an expenditure of ₹1.36 crore for the procurement of uniforms and badges during 2021-22 and 2023-24, Audit observed the absence of documentation in stock registers and non-receipt of supplies by the majority of sampled CDPOs. The Directorate's failure to maintain basic inventory records in violation of Rule 208 of the GFR, 2017, combined with field-level evidence of non-delivery, indicates financial irregularity and potential misappropriation, undermining accountability, transparency, and the intended recognition of field functionaries under the ICDS Scheme.

The State Government in its reply stated (June 2024) that there was pendency in supply of procured uniforms and cited Covid-19 pandemic and change of AWWs for the delay in distribution of uniforms. It was further stated that uniforms procured during 2020-21 were distributed to the AWWs and AWHs and that procurements made during 2023-24, are now being distributed. The Government also assured that updated stock registers would be furnished for audit verification once the distribution was completed.

The State Government's reply is not acceptable. Audit observed that none of the nine test-checked CDPOs received uniforms or badges during 2021-22 and 2023-24, and no documentary evidence, such as updated stock registers or distribution records, was produced to substantiate the claims of procurement or dispatch. The absence of such documentation, combined with field-level certification of non-receipt, strongly indicates lapses in inventory control and raises concerns regarding financial accountability and the actual utilisation of ₹1.36 crore. The invocation of pandemic-related delays is not acceptable, as procurements were made in two separate years with no subsequent follow-through, even after restrictions had eased.

2.3.13.5 Inefficient utilisation of Aadhaar Enrolment kits

Paragraph 2.6 of the "Saksham Anganwadi and Poshan 2.0" guidelines stipulated that all the beneficiaries should be Aadhaar seeded to ensure last mile tracking and delivery of services. It further stipulated that States/UTs should make effort to enrol beneficiaries at the AWC itself.

Audit observed that during 2018-2024, the Department procured 222[39] Aadhaar Enrolment kits (AEKs) amounting to ₹3.43 crore, out of which only 62 AEKs were distributed to CDPOs. Audit also observed that, out of the 62 AEKs distributed[40], only four out of nine test-checked CDPOs received one kit each. Audit further

[38] to address the backlog of 2022-23, payment of ₹0.72 crore was made (May 2023) to M/s Jupiter Enterprises, Dimapur

[39] No. of AEKs = 162 procured in June 2019 + 60 procured on July 2023= 222

[40] For the procurement of 162 AEKs the distribution date was not recorded in the register. While for the second procurement of 60 AEKs, the items were issued between 16/02/2024 and 21/03/2024.

observed that three out of the four test-checked CDPOs did not utilise the AEKs for Aadhaar enrolment. These shortcomings resulted in Aadhaar seeding of only 14.51 *per cent* beneficiaries[41] in the State as of March 2024. These deficiencies indicate ineffective planning, delayed coordination with UIDAI for training, and inadequate operational readiness, which compromised the goal of universal Aadhaar-linked service delivery under the scheme.

While accepting the Audit observation, the State Government stated (June 2024) that there were delays in providing training to the operators (Supervisors) by UIDAI due to the Covid-19 pandemic and constant upgradation of the machine/software. It was also stated (October 2024) that efforts would be made to complete the distribution of the remaining AEKs and that 43 department employees were certified as Operators-cum-Aadhaar Supervisors and therefore it is expected that the majority of the beneficiaries would be covered by the end of this financial year.

The reply of the State Government is not acceptable. The Department failed to ensure timely distribution and operationalisation of AEKs despite clear guidelines under the scheme and substantial expenditure incurred. The reasons cited, namely, delays in training and software upgrades, do not justify the extended period of underutilisation spanning several years. Moreover, the Department did not furnish any evidence of contingency planning or interim measures to ensure Aadhaar seeding of beneficiaries during this period. The assurance of future action cannot substitute for the lack of timely implementation, which adversely affected service delivery and excluded a significant portion of beneficiaries from the intended benefits of Aadhaar-linked entitlements.

2.3.13.6 Training and capacity building of field functionaries

Annexure 4 of the Final Saksham and Poshan 2.0 guidelines envisaged that at the beginning of each financial year, assessment of existing capacity for each of the three tiers of frontline workers should be carried out at State level to identify the themes and topics for the training. The areas of capacity building included Capacity Building - Ante-natal and Post-natal care practices, Infant and Young Child Care and Feeding Practices, Growth Monitoring, Supplementary Nutrition, Basics of Nutrition and Regional Meal Plans, Poshan Vatikas, Poshan Tracker, Pre-school Education, Convergence, and Soft Skill knowledge- organising effective home visits, community based events and Jan Andolans, counselling, behaviour change communication, planning and time management, processes for quality testing of Take Home Ration (THR).

Audit observed that during the period 2018-2024, the Department did not make any assessment and had not set any targets for conducting trainings. Audit further observed

[41] ICDS beneficiaries as per MPR of March 2024 is 5,47,228.

that the State Programme Management Unit (SPMU) conducted 11 trainings[42] under Rashtriya Poshan Abhiyaan during 2019-2023. However, except for Poshan Tracker training, the sessions did not cover the themes and topics prescribed in the guidelines and the absence of a comprehensive training plan on key themes undermined the intended capacity building and skill enhancement of frontline workers, thereby limiting their effectiveness in delivering key nutrition, health, and behavioural change interventions at the grassroots level.

The State Government in its reply stated (June 2024) that trainings were conducted on need basis and hence comprehensive training plan was not prepared. The State Government also forwarded the attendance sheet of seven out of 11 trainings conducted by the SPMU during 2020-2024.

The reply of the State Government is not acceptable as it was not in conformity with the Scheme guidelines which require the Department to assess the existing capacity of frontline workers at each of the three tiers at the State level and identify training themes and topics at the beginning of each financial year. The conduct of sporadic trainings without a structured assessment or alignment to guideline-mandated themes does not meet the intended objectives of systematic capacity building. The attendance records furnished did not establish the content or coverage of essential skill domains. In the absence of a targeted and measurable training framework, the efforts made by the Department fall short of ensuring effective service delivery through adequately trained personnel.

2.3.13.7 Deficiencies in training implementation

Annexure XI of the ICDS Mission - Broad Framework for Implementation stipulated that at the State level, Middle Level Training Centres (MLTCs) were to be engaged for training of supervisors and instructors of AWWs/AWHs and Anganwadi Workers

[42] Utilisation certificates, Actual Payment records and Food bills relating to the conduct of the trainings were furnished.
1. *ICDS -CAS Refresher Training for helpdesk (2019-20) - 18 to 19 September 2020,*
2. *Training on e-ILA for Poshan Coordinators - 2019-20),*
3. *NSS Training -2019-20,*
4. *e-ILA Training -2019-20,*
5. *Training on ICDS CAS - 2020-21,*
6. *Training on Governance Dashboard -2020-21,*
7. *Orientation training conducted for different communities - 14 to19 February 2024.*
8. *Workshop for DWO/DPO/CDPO/Supervisors/Inspector/AWTC Instructor and State level coordination meeting on Poshan Abhiyaan for District and Block Coordinators - 12 to 13 February 2023*
9. *Orientation of church leader, Community elders & Youth leaders on importance of Good Nutrition and Balanced Diet. Seminar on Poshan Abhiyaan for District and Block Coordinators – 19 September 2023.*
10. *POSHAN Tracker Training and State level coordination meeting on Poshan Abhiyaan for District and Block Coordinators - 13 & 14 February 2024, and*
11. *Orientation program for communities – 27 February 2024 to 06 March 2024.*

Training Centres (AWTCs) were to be engaged for training of AWWs/AWHs. Audit observed that there was only one training centre in the State *i.e.*, AWTC, Diphupar and trainings[43] were conducted during 2018-2020 but no training was conducted during 2020-2024 due to non-allocation of funds. The absence of training activities at the State's only training centre for AWWs and AWHs from 2020 to 2024 due to non-allocation of funds undermined the capacity building of frontline workers, adversely affecting growth monitoring and malnutrition management as discussed in **Paragraph 2.3.16.2**.

The State Government did not offer comments on the Audit observation.

2.3.13.8 Supplementary Nutrition Programme

The Supplementary Nutrition Programme (SNP) aimed to improve the health and nutrition status of children aged six months to six years (6m – 6y), Adolescent Girls (AGs) aged 11 to 18 years[44] and Pregnant Women and Lactating Mothers (P&LMs). The details of enrolled beneficiaries under the various categories are given in **Table 2.3.3**.

Table2.3.3: Details of beneficiaries enrolled during the period from 2018-19 to 2023-24

Sl. No.	Category	Number of beneficiaries enrolled during the period from 2018-19 to 2023-24					
		2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
1.	Children aged 6m - 6y	3,19,762	3,19,766	3,19,389	3,50,412	3,68,722	3,69,371
2.	P&LMs	46,165	51,180	50953	40,115	41,296	41,387
3.	Severely Malnourished	296	271	269	248	244	234
4.	AGs*	7,320	7,320	7,320	7,629	1,37,377	1,37,377
Total		**3,73,543**	**3,78,537**	**3,77,931**	**3,98,404**	**5,47,639**	**5,48,369**

Source: Information furnished by the Department

* *Nutrition for Adolescent girls is covered under Scheme for Adolescent girls.*

From **Table 2.3.3** above, it can be seen that:

(i) Children aged 6m–6y: The number of beneficiaries showed a steady increase over time, with a notable rise post 2020-21.

(ii) P&LMs: The number of beneficiaries fluctuated slightly, with a dip in 2021-22 but overall stable.

(iii) Severely Malnourished: The number of beneficiaries displayed a decreasing trend, but extremely low numbers may indicate under-identification or reporting issues.

(iv) AGs: There was a dramatic increase in the number of beneficiaries from 7,000 to 1.37 lakh in 2022-23, probably due to change in coverage under the Scheme for AGs.

[43] Five Job Training course (JTC) and one Orientation for AWHs during 2018 -19 and six JTC and one Orientation for AWHs during 2019-20.

[44] Under Poshan 2.0, the SAG was revised from 11-14 years (as per SAG Administrative Guidelines, 2018) and the targeted beneficiaries were revised to Adolescent Girls in the age group of 14 to 18 years.

(v) Total beneficiaries: The total beneficiaries increased from 3.7 lakh (2018-22) to over 5.4 lakh in 2022–24 primarily due to expanded adolescent girl enrolment.

The SNP cost norms for beneficiaries[45] under the ICDS Mission are revised time to time[46]. The discrepancies noticed in the implementation of SNP are discussed in the succeeding paragraphs.

A. Excess expenditure on short supply of SNP food items

The terms and conditions of the supply order for supply of SNP items mandated the suppliers[47] to deliver food items[48] strictly as per the specifications endorsed by the Department. Audit observed that against 619.71 MT of five food items[49] shown as supplied to the nine test-checked CDPOs, only 499.99 MT was certified as received by the CDPOs, resulting in short receipt of 119.71 MT[50] amounting to ₹2.45 crore in respect of 10 supply bills during 2018-2024. The failure to ensure delivery of quantities as per supply orders reflects weak contract enforcement, inadequate verification mechanisms, and ineffective oversight of procurement processes, thereby impacting the integrity of the Supplementary Nutrition Programme.

The State Government in its reply stated (October 2024) that the Department conducted a thorough review of records and found no discrepancies in the quantity of item supplied.

The reply of the State Government is not acceptable as Audit observation is based on documentary evidence of physical receipt records maintained and certified by the nine test-checked CDPOs. The Department's assertion of no discrepancies contradicts the verified field-level data. In the absence of stock registers or acknowledgement receipts substantiating full delivery, the short supply of 119.71 MT remains unaccounted for. The reply also failed to address the issue of excess payment based on unverified quantities, raising concerns over financial propriety and lapses in supply chain accountability.

B. Wheat Based Nutrition Programme under SNP

Wheat Based Nutrition Programme (WBNP) was a State Sector scheme which followed the norms of SNP or of the nutrition component of the ICDS. Central

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[45] Children (6-72 months), Severely malnourished children (6-72 months), Pregnant women and Nursing mothers and AGs (14-18 years)

[46] (1.) *w.e.f.* 2012 cost norms (i) Children (6-72 months) –₹6, (ii) Severely malnourished children (6-72 months) – ₹9 and (iii) Pregnant women and Nursing mothers – ₹7 (2.) *w.e.f.* August 2022 i) Children (6-72 months) –₹8, (ii) Severely malnourished children (6-72 months) – ₹12 and (iii) Pregnant women & Nursing mothers and AGs (14-18 years) – ₹9.50

[47] M/s Ponthungo Enterprises, M/s Abhinav Food Product, M/s Yetovi Enterprises, M/s Rausheena Udyog Ltd., M/s Surho Tribal Welfare and M/s Continental Milkose India Ltd.

[48] Micro nutrient fortified biscuit, cornflakes, Abhinav Biscuit, Marie Biscuit, Protein Rich Rice, Instant Daliya, Surho Kheer Mix and Kichidi

[49] Micronutrient Fortified Biscuit, Cornflakes, Energy Fortified Soya Biscuit, Surho Kheer Mix and Kichidi.

[50] 1 kg = 0.001 Metric Ton (MT)

assistance for the programme consists of supply of subsidised rice and wheat to the State. The agreement between the Department and the supplier[51] (selected and approved by GoN) provided that the supplier should take delivery of food grains on behalf of the Department by depositing its own funds to the Food Corporation of India (FCI) and should transport and deliver to the consignee within a period of two months from the date of lifting the food grains from the FCI. During 2018-2024, an amount of ₹44.00 core was sanctioned and paid to the suppliers against implementation of WBNP. Audit observed the following irregularities in the supply and delivery process of rice under WBNP:

(i) Short lifting of rice under WBNP: During 2018-2023, the Department issued order for supply of 75,460 MT of rice under ICDS projects. Audit analysis of the release and lifting orders/issue report of FCI showed that only 70,180 MT out of 75,460 MT of rice was lifted resulting in short lifting of 5,280 MT of rice. Audit, however, observed that an amount of ₹1.95 crore[52] was paid to the supplier against the quantity (5,280 MT) which was not actually lifted from FCI.

(ii) Short delivery of rice under WBNP: Examination of records showed that during 2018-2023, the supplier claimed an amount of ₹4.25 crore[53] as reimbursement for delivery of 11,482 MT rice to the nine test-checked CDPOs and full payment was made to the supplier. Audit, however, observed that there was short supply of 3,633 MT of rice valued at ₹1.34 crore.

Audit observed that these discrepancies in the supply chain was due to the Department's failure to verify the actual quantity of rice lifted from the FCI and delivered to the CDPOs. These lapses point to serious weaknesses in the Department's contract enforcement and supply chain verification, leading to excess expenditure and probable diversion or misappropriation of subsidised food grains.

The State Government in its reply stated (June 2024) that the discrepancy regarding short-lifting of rice was due to non-maintenance of proper records at block levels. The State Government further stated (October 2024) that the Department conducted a thorough review of records which found no discrepancies in the quantity of item supplied.

The reply is not acceptable as Audit findings are based on verifiable documentation, including FCI Issue Reports that confirm the short lifting of 5,280 MT of rice and certified records from the test-checked CDPOs indicating a delivery shortfall of 3,633 MT. The Department's internal review lacked credibility in the absence of supporting evidence contradicting the third-party and field-verified records. The justification citing poor recordkeeping at the block level only underscored the systemic deficiencies in supply chain monitoring. The discrepancies reflected a failure

[51] M/s Encore Enterprises selected at the Government level during the period covered by Audit
[52] ₹370 x 52,800 = ₹1.95 crore (₹2.00 crore approx.)
[53] ₹370 x 1,14,824 quintal

of oversight and raised concerns of financial impropriety in the implementation of the WBNP.

C. Take-Home Ration, morning snacks and Hot Cooked Meal (HCM)

The Supplementary Nutrition (SN) is delivered through two modalities – Hot-Cooked Meal (HCM) and Take-Home Ration (THR) – containing required nutrition norms. Paragraph 3.3 of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines stipulated that all pregnant and lactating mothers, children in the age group of 6-36 months, Severe Acute Malnutrition (SAM) children and adolescent girls (14-18 years) were entitled to receive THR and children in the age group of 3-6 years were entitled to receive HCM and morning snacks under the Anganwadi Services from the AWCs. HCMs were cooked and served to children aged 3-6 years at AWCs in the form of breakfast and lunch during Early Childhood Care and Education (ECCE) sessions, while THR was distributed to children aged 6 month-3 years, AGs and P&LMs in the form of premixes[54] consisting of fortified food grains**.**

Audit observed that while THR was provided to the beneficiaries in all the test-checked AWCs, morning snacks (biscuits) were provided in only six out of the 46 test-checked AWCs during the period covered by audit. Audit also observed that during the audit period, HCM was not provided in any of the 46 AWCs thereby depriving the targeted beneficiaries of the intended nutritional benefits. Audit further observed that no records were maintained at the AWCs to document the receipt, consumption and distribution of food items including THR, HCM and morning snacks.

The State Government in its reply stated (June 2024) that HCM in the form of Surho kheer mix or khichidi and biscuits as morning snacks were served to children in the age group of 3-6 years who attended the AWCs. It was further stated that records of consumption and distribution at the AWC levels were not maintained as these were monitored through Poshan Tracker app.

The reply of the State Government is not acceptable as the Audit findings are based on direct verification through test-check of 46 AWCs and field interviews with AWWs, who confirmed that HCMs were not served and morning snacks were not provided in 40 AWCs. The Department's claim of monitoring *via* the Poshan Tracker app was not substantiated with verifiable data during audit. Further, digital monitoring does not obviate the requirement for physical registers; particularly where service delivery is absent and field-level functionaries deny the provision of entitlements. The absence of HCM and morning snacks not only violated the scheme norms but also undermined the objectives of early childhood nutrition and care.

[54] THR Premixes are in powder form and can be used to prepare a variety of dishes by beneficiaries at their homes.

2.3.13.9 Early Childhood Care and Development

Paragraph 2.2.1(v) of the ICDS Mission - Broad Framework for Implementation stipulated that strengthening early childhood care and education was a core service of the AWCs with dedicated four hours of early childhood education sessions followed by supplementary nutrition, growth monitoring and other related interventions. Developing and implementing activity-based child centres and age-appropriate curricula aiming at all round development of children and monthly fixed Village Early Childhood Care and Education Day were also to be ensured.

Audit observed that age specific books/syllabus was not prepared by the Department. Audit also observed that sufficient and safe space was not available for conducting activities in all the 46 test-checked AWCs. Audit further observed that though an expenditure of ₹4.05 crore[55] was incurred for procurement of pre-school education (PSE) kits during 2021-2024, the Directorate did not maintain records of their receipt and distribution. Audit further observed that the two suppliers engaged for the supply of PSE kits were not registered for the provision of such items and had charged an excess amount of ₹14.45 lakh as Goods and Services Tax (GST). JPV conducted during August to September 2023, showed non-availability of PSE kits in 41 out of 46 test-checked (89.13 *per cent*) AWCs. The absence of age-specific curricula, inadequate infrastructure, and non-availability of PSE kits in most of the test-checked AWCs undermined the ICDS objective of laying a strong foundation for the proper psychological, physical, and social development of the child. These systemic lapses compromised the quality of ECCE services envisaged under the ICDS Mission and impeded the holistic development of children in the 3-6 year age group.

The State Government in its reply stated (June 2024) that Activity Books were issued from time to time with approval from the Ministry. It was further stated that records for the period 2018-2023 could not be traced and that procurement for 2023-2024 could not be made timely.

The reply of the State Government is not acceptable as there were no records of PSE kits being procured and delivered to AWCs during 2018-2023. The assertion that activity books were issued "from time to time" was not supported by any documentary evidence, nor were stock registers or distribution lists produced. The mere inability to trace records for 2018-23 and the delayed procurement for 2023-24 confirmed weak inventory control and planning rather than negating the audit finding. In the absence of verifiable proof of curriculum development, kit distribution, or adequate learning space, the deficiencies highlighted by Audit remain un-addressed.

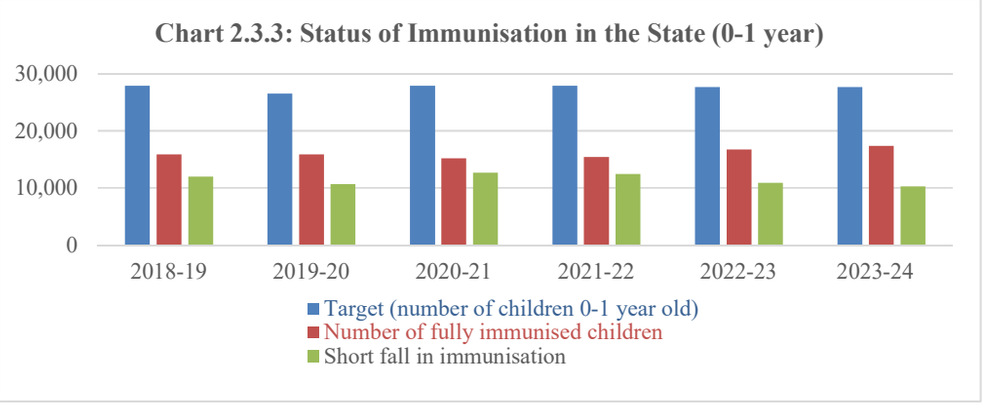
[55] ₹1,19,40,000 vide Bill no. 197 dated 08/10/2021, ₹1,79,09,953- vide Bill No 412 dated 27/03/2023 and ₹1,07,46,000 (backlog of 2022-2023) vide Bill No 42 dated 15/05/2023

2.3.13.10 Immunisation

Under the Universal Immunisation Programme (UIP), GoI provides vaccination to prevent 11 vaccine preventable diseases[56]. As per UIP, a child is fully immunised if he/she has received all due vaccines as per the national immunisation schedule within the first year. Immunisation in the villages is carried out by the H&FW Department, GoN in convergence with Anganwadi services.

The Public Accounts Committee (PAC)[57] had recommended that the Department should improve the efficiency of AWWs so as to enable them to their best potential to minimise the immunisation gap. Though the Department acknowledged the recommendation for compliance, Audit found no documented records on child immunisation, with data instead sourced from the H&FW Department. The status of immunisation in the State is shown in **Chart 2.3.3**.

Chart 2.3.3: Status of Immunisation in the State (0-1 year)



Source: Data provided by H&FW Department

It can be seen from **Chart 2.3.3** that during 2018-2024, there was a significant shortfall in full immunisation of children aged 0-1 year ranging from 37 to 46 *per cent*, which compromised the ICDS core objective of improving the health status of children. Audit observed that the shortfall was due to the Department's inability to ensure effective convergence with the H&FW Department. Despite recommendations from the PAC to enhance the role of AWWs in immunisation support, the Department failed to maintain any immunisation-related documentation or ensure effective convergence with the H&FW Department. This lack of coordination adversely impacted the achievement of ICDS objectives in improving child health and reducing preventable diseases in early childhood.

[56] Diphtheria, Pertussis, Tetanus, Polio, Measles, severe form of Childhood Tuberculosis and Hepatitis B and meningitis & pneumonia, Rubella & Rotavirus Diarrhoea in sampled States and Japanese Encephalitis in endemic districts

[57] 103rd Report of the Public Accounts Committee (2011-2012) on the Action Taken by the Government on the observation/Recommendations contained in the 95th Report of the Public Accounts on the C&AG Report of India 2005-06 recommendation No.1.2.15 Para 3.2.18 (Immunisation) of AR.

While accepting the Audit observation, the State Government stated (June 2024) that immunisations are carried out by the H&FW Department but that efforts are being made for better convergence and outreach.

The reply of the State Government, while acknowledging that immunisation is carried out by the H&FW Department, did not address the critical role envisaged for AWWs under the ICDS Framework in facilitating convergence and outreach. The absence of documentation and coordinated field-level engagement reflects inadequate follow-up on PAC recommendations and poor institutional linkage between the implementing departments. The persistent immunisation shortfall highlights the consequences of fragmented service delivery and the need for a structured mechanism for joint monitoring and accountability.

2.3.13.11 Health check-up

Paragraph 2.2.1(iii) of the ICDS Mission - Broad Framework for Implementation stipulates that health check-up of PLM should be provided by ANM and PHC staff at the AWCs. Audit observed that the Social Welfare Department did not maintain records on health check-ups carried out in AWCs because of which Audit could not ascertain the delivery of health services to PLM from the AWCs record. However, information obtained from the H&FW Department, GoN showed a considerable gap in health check-up services as shown in **Table 2.3.4**.

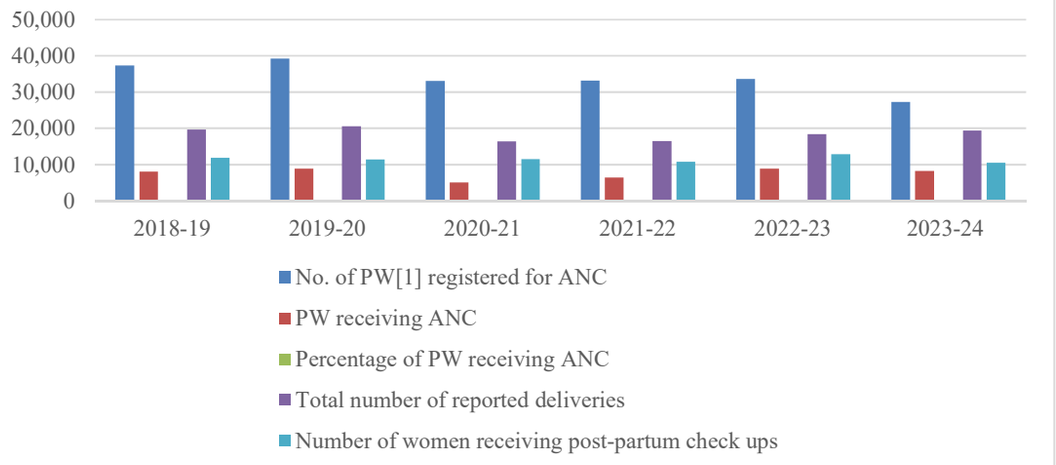
Table 2.3.4: Status of ante-natal care (ANC) and post-natal care

Year	No. of PW[58] registered for ANC	PW receiving ANC	Percentage of PW receiving ANC	Total number of reported deliveries	Number of women receiving post-partum check ups	Percentage women getting post-partum check up
2018-19	37,402	8,151	22	19,690	11,917	61
2019-20	39,235	8,838	23	20,619	11,473	56
2020-21	33,105	5,124	15	16,467	11,503	70
2021-22	33,272	6,484	19	16,564	10,852	66
2022-23	33689	8873	26	18,454	12,866	70
2023-24	27,280	8,283	30	19,426	10,616	55

Source: HMIS Data provided by H&FW Department

[58] Pregnant Women

Chart 2.3.4 : Status of ante-natal care (ANC) and post-natal care



As can be seen from **Table 2.3.4**, Audit observed that the Social Welfare Department did not maintain any records of health check-up services delivered through AWCs, in violation of the ICDS Mission guidelines. Analysis of HMIS data from the H&FW Department revealed that only 15 to 30 *per cent* of registered pregnant women received ante-natal care during 2018-2024, and post-natal care coverage also declined over time. These findings reflect serious shortcomings in the convergence mechanism between the Social Welfare Department and the H&FW Department, adversely affecting the delivery of essential maternal healthcare services.

In reply, the State Government stated (June 2024) that health check-ups are carried out by H&FW Department, but that efforts would be made to improve convergence.

The reply of the State Government is not acceptable. While acknowledging that health check-up services are provided by the H&FW Department, it fails to address the ICDS guideline requirement for convergence and monitoring at the AWC level. The absence of AWC-level records on health service delivery reflects a systemic failure to institutionalise inter-departmental coordination. The lack of documentation and declining coverage indicators underscore a gap in service delivery planning and accountability.

2.3.13.12 Irregularities in selection of suppliers/contractors

The Nagaland State e-Procurement and Tendering Policy, 2017 stipulates that the Government Departments/Agencies should call open tenders for construction/supply works through e-procurement in the State portal for construction/civil works worth ₹One crore and above and supply works worth ₹20.00 lakh and above. Further, Paragraph 291 of the Nagaland Public Works Department Code (NPWDC) stipulated that sealed tenders should invariably be invited in the most open and public manner possible, by advertisement in the Government Gazette or the press, or by public

notice. Audit observed that Notice Inviting Tender (NIT)[59] for 'Up-gradation of Anganwadi Houses at Dimapur and Kohima' estimated at ₹3.44 crore (March 2021) was not floated in the State Portal in contravention of the GoN notification.

Audit observed procedural lapses in the execution of civil works under the ICDS scheme. Despite the mandate for e-tendering and open public advertisement as per the Nagaland State e-Procurement Policy and NPWDC, the Department failed to publish the tender for construction works worth ₹3.44 crore on the designated State Portal. These lapses led to non-competitive procurement, raising concerns over fairness, efficiency, and financial transparency in public contracting.

While accepting the Audit observation, the State Government stated (June 2024) that, the possibilities of procurement of materials and selection of contractors for civil works through e-tendering in line with provisions of the GFR would be explored.

The reply of the State Government is not acceptable. The assurance to explore future compliance with e-tendering provisions does not address the prolonged and recurring violations of existing procurement norms over a six-year period. The continued procurement from the same set of suppliers without fresh competitive bidding undermined transparency and equitable access to Government contracts. The failure to advertise high-value civil works on the State e-Procurement Portal, as required by policy, reflected systemic disregard for established procurement protocols and contributed to procedural irregularities and potential financial inefficiencies.

2.3.13.13 Conclusion

The implementation of the ICDS in Nagaland during 2018-2024 suffered from systemic weaknesses in infrastructure development, service delivery, convergence mechanisms, inventory management, financial propriety, and accountability. Despite substantial Central and State funding, the Audit found widespread deficiencies in infrastructure at AWCs, irregularities in procurement and distribution of critical supplies (including nutrition, medicines, and uniforms), inadequate capacity building of field functionaries, poor utilisation of Aadhaar enrolment infrastructure, and failure to institutionalise effective convergence with the H&FW Department. These gaps severely compromised the core objectives of the ICDS Mission - to provide a strong foundation for child development, ensure maternal health, and address malnutrition in an integrated and sustainable manner.

Recommendations:

The State Government may consider-

(i) carrying out geo-tagged mapping of all AWCs to assess infrastructure gaps (toilets, kitchens, learning space, drinking water and electricity).

(ii) mandating real-time entry of receipt and distribution of all materials

[59] By Executive Engineer, PWD Housing Division No-II Kohima, the executing agency for all civil works undertaken by the Department

(e.g., food items, uniforms, medicine kits, PSE kits) in standardised digital stock registers at Directorate, CDPO, and AWC levels. Quarterly distribution data on the Department's website may be published in order to promote transparency and deter misuse.

(iii) developing an annual training calendar based on a State-level assessment of frontline workers' skill gaps, aligned to ICDS thematic domains, with outcome-based monitoring of training effectiveness.

(iv) establishing a monitoring cell to track Aadhaar-seeding coverage and troubleshoot operational bottlenecks.

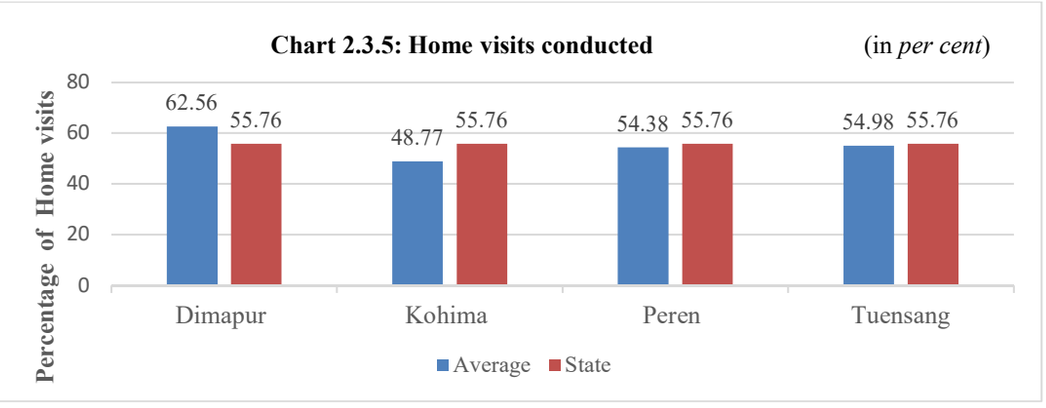
(v) institutionalising convergence protocols with the Health& Family Welfare Department including shared planning, joint monitoring, and data exchange protocols for immunisation and maternal health services.

2.3.14 Audit Objective: Whether the ICDS has enhanced capacities at all levels and ensured convergence with other related programs and schemes so as to maximise the impact and outcomes of ICDS?

2.3.14.1 Nutrition and Health Education

Nutrition, Health and Education (NHE) was a key element of the work of the AWWs which formed part of behaviour change communication (BCC) strategy. The long-term objective of NHE was capacity-building of women in the age group of 15-45 years so that they can look after their own health, nutrition and development needs as well as that of their children and families. To achieve the objective, the AWWs along with ASHA/ANMs should conduct activities like home visits, demonstration course, films and slides shows and mothers meetings. Monthly mothers' meeting was to educate the mothers on improving the child caring practices, feeding, health and hygiene and psychological development.

Audit observed that there were no documented records indicating the conduct of demonstration course, films, slide shows and mothers' meetings. Regarding home visits, analysis of data available in Poshan Tracker for the period from May 2022 to March 2024 showed that there was shortage in home visits conducted by AWWs ranging from 48.77 to 62.56 *per cent* in the four test checked districts as shown in **Chart 2.3.5**.



Source: Departmental figure- Extracted from Poshan tracker

These deficiencies indicate weak implementation of the core educational component of ICDS, thereby undermining the goal of empowering women to manage their own health and that of their children through informed practices.

The State Government in its reply stated (June 2024) that the ICDS-CAS software was used by the functionaries to upload data from 2018-2021 only and that from 2022, Poshan Tracker App was used for the same purpose. It was further stated that the shortfall in the data regarding home-visits was due to internet connectivity issues and obsolete smartphones.

The reply is not acceptable as it does not address the core issue of non-performance and lacked evidence of alternative documentation or remedial action despite known technical constraints. In the absence of any documented efforts, either digitally or manually, the shortfall could not be attributed solely to technological constraints. The reply also failed to address the complete absence of educational activities, such as demonstrations and mothers' meetings, which are critical for behaviour change communication and maternal empowerment under ICDS.

2.3.14.2 Jan Andolan

Paragraph 4.1 of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines stipulated that Abhiyaan focus on converting the agenda of improving nutrition into a Jan Andolan through involvement of different Departments, PRIs/Villages/ Organisations/SHGs/volunteers and ensuring wide public participation. Further, Chapter IV (1) of the Jan Andolan Guidelines stated that a comprehensive Jan Andolan Plan was to be developed at State/District level covering ten themes[60]. Audit observed that the Jan Andolan Plan was not developed at the State/District level. Audit further observed that record of activities carried out during the Jan Andolan programmes were not documented and therefore Audit could not analyse the type of activities carried out to achieve the objective of fostering community participation in

[60] (i) Ante natal check-up/diet of pregnant woman (ii) Optimal breastfeeding (iii) Complementary food & feeding (iv) Full immunisation & Vitamin A supplementation (v) Growth monitoring and promotion (vi) Anaemia prevention in children/adolescent girls/women (vii) Food fortification & micronutrient (viii) Diarrhoea management (ix) Girls education, diet & right age at marriage (x) Hygiene, sanitation & safe drinking water

improving health and nutrition levels of targeted population. Therefore, the absence of Jan Andolan Plan undermined the decentralised approach envisaged under the Jan Andolan strategy, thereby diluting the impact of convergence efforts aimed at improving nutrition outcomes.

The State Government in its reply stated (June 2024) that the State was following the Guidelines of the MoWCD for conducting activities under Jan Andolan and that it was in the process of developing a Jan Andolan Plan for the State and district levels.

The reply of the State Government is not acceptable. While it states that activities were conducted in accordance with the MoWCD guidelines and that a Jan Andolan Plan is under preparation, no documentary evidence was furnished to substantiate the conduct of any such activities during the audit period. The absence of both planning documents and activity records reflects non-implementation of a key strategic component of Poshan 2.0 and indicates a significant gap in community mobilisation and participatory governance. The assertion that planning is underway does not justify the prolonged inaction and failure to institutionalise the Jan Andolan approach during the audit period.

2.3.14.3 Conclusion

The Audit found that the ICDS in Nagaland failed to effectively implement two key components *viz.* Nutrition and Health Education (NHE) and Jan Andolan, which are critical for behavioural change, community participation and convergence-driven nutrition outcomes. The absence of documented educational outreach, coupled with significant shortfalls in home visits and the complete non-preparation of a Jan Andolan Plan at both State and district levels, indicates systemic weaknesses in planning, implementation, and monitoring. These deficiencies undermined the intended decentralised and participatory approach of the ICDS Mission, limiting its ability to empower women and promote health and nutrition awareness at the grassroots level.

Recommendations:

The State Government may consider-

(i) ensuring that activities related to all ten prescribed themes of the Jan Andolan Plan are mapped to specific outcomes with clear responsibilities assigned at each tier: State, district, block, and AWC levels.

(ii) establishing standard templates for recording mothers' meetings, demonstrations, health talks, and film shows at AWC level. These should be maintained both manually and digitally, with periodic audits to ensure

compliance.

(iii) in light of technical limitations, introducing a dual reporting mechanism (manual and digital) for home visits.

(iv) ensuring replacement of obsolete smartphones and implement offline functionality in the Poshan Tracker to accommodate poor internet connectivity in remote regions. This should be complemented by regular training and IT support for Anganwadi Workers.

(v) creating a publicly accessible dashboard that shows the Jan Andolan and Nutrition and Health Education activities carried out at the State, district, block, and village levels.

2.3.15 Audit Objective: Whether there existed a mechanism for raising public awareness and participation, creation of knowledge base for child development services and robust system for appropriate inter-sectorial monitoring of the scheme at all levels.

2.3.15.1 Inadequate monitoring of the Scheme

Paragraph 8(iv) of the ICDS Mission - Broad Framework for Implementation envisaged monitoring system at the National/State/District/Block/Anganwadi levels through monitoring committees called National Level Monitoring and Review Committee (NLMRC), State Level Monitoring and Review Committee (SLMRC), District Level Monitoring and Review Committee (DLMRC), Block Level Monitoring Committee (BLMC) and Anganwadi Level Monitoring and Support Committee (ALMSC). Further, the ICDS Scheme Guidelines for monitoring and supervision of Scheme stipulated that a minimum of 50 *per cent* AWCs inspections should be carried out by Supervisors in a month, inspection of 100 *per cent* AWCs in a quarter by CDPOs and a minimum of 10 *per cent* AWCs in a year by DPOs. The PAC[61] recommended that the Department make every effort to adhere strictly to the scheme guidelines and to initiate effective monitoring and supervision. The Department acknowledged the recommendation and assured strict compliance in the future.

However, Audit observed that while SLMRC, DLMRC, BLMC and ALMSC were constituted, there were no documented records to verify whether monitoring was conducted by these committees or by the field officers. In the absence of monitoring mechanism, effective implementation of the Scheme could not be achieved as indicated by the irregularities/deficiencies discussed in the **Paragraphs 2.3.11.1, 2.3.13.3 to 2.3.13.5, 2.3.13.8, 2.3.13.9 and 2.3.14.1**.

[61] 103rd Report of the PAC (2011-2012) on the Action Taken by the Government on the observation/ Recommendations contained in the 95th Report of the Public Accounts on the C&AG Report of India 2005-06 Recommendation No.1.2.27 Para 3.2.27 (Monitoring and Evaluation) of AR.

The State Government stated (June 2024) that field functionaries covered the required supervisory visits though such visits were not documented. The reply of the State Government is not acceptable as there was no record of monitoring carried out by committees at various levels and of inspections conducted by the field officers. In the absence of verifiable records, the Audit maintains that mandated monitoring activities were not carried out as per the ICDS guidelines. This lack of documentation not only undermines transparency and accountability but also weakens corrective feedback mechanisms essential for ensuring service quality and compliance.

2.3.15.2 Inadequacies in monitoring through Real Time Monitoring Applications

The Common Application Software (CAS) was an Information and Communication Technology-Real Time Monitoring system introduced after launching of NNM. It functioned through a mobile application at the level of AWWs and Sector Supervisor and a comprehensive web-based dashboard at Block/District/State/National levels, providing real time information about service delivery. After CAS was discontinued, Poshan Tracker was introduced (March 2021) with the same objective of real time monitoring of services delivered under Anganwadi activities. Audit observed that the backup data of the CAS could not be retrieved by the Department, which resulted in inability to analyse service delivery up to March 2021. Audit also observed that only 1,13,619 beneficiaries (28 *per cent*) out of the total 4,09,851 beneficiaries in the State were uploaded and monitored through Poshan Tracker App. These deficiencies point to a weak transition strategy between digital platforms and poor technological integration at the field level, undermining transparency, accountability, and evidence-based decision-making in scheme implementation.

While accepting the Audit observation, the State Government cited (June 2024) poor internet connectivity, technological backwardness of AWWs in using smart phones and issue of outdated and obsolete smart phones for shortfall in uploading the details of beneficiaries.

While the reply above acknowledges the constraints of internet connectivity, limited digital literacy among AWWs, and outdated smartphones, no mitigating measures or phased adaptation strategy is presented to bridge these challenges. The inability to preserve CAS data reflects inadequate data governance practices, and the low beneficiary coverage in the Poshan Tracker indicates systemic gaps in implementation and support. These lapses compromise the integrity of real-time service monitoring, a core reform under the National Nutrition Mission.

2.3.15.3 Quality of food supplied under ICDS

Paragraph 3.10 of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines stipulates that supplementary nutrition should conform to the standard laid down under the provisions of the Food Safety Standard Act, 2006 to ensure consistent quality and nutritive value. Further, Paragraph 2.3 also envisaged that the District Administration should also conduct periodic monitoring, including surprise spot-

checks and collection of samples for quality testing of supplementary nutrition (THR and HCM).

The Department had assured the PAC[62] that testing of food items was conducted regularly at a testing facility in the H&FW Department in Kohima and Foodstuffs Quality Testing Report was furnished. However, Audit observed that during 2018-2024, the Department had sent samples of food provided under SNP on three occasions to the Regional Food Testing Laboratory (RFTL), Kolkata. While the report on two of the three samples was returned with normal acceptable quality, the third sample (August 2022) could not be verified as the Food and Nutritional Board, MoWCD had closed (April 2022) the RFTL at Kolkata. Audit further observed that after the closure of the RFTL, the Department did not make any alternative arrangements for quality checks. Audit also observed that the District Administrations did not conduct periodic monitoring to ensure the quality and standard of food provided under SNP in the test-checked districts and that both the Department and the District Administrations did not take measures to ensure that quality food items were supplied under SNP. The absence of alternative quality check mechanisms following the closure of RFTL in Kolkata, coupled with inaction by both the Department and District Administration, resulted in a systemic failure to ensure the quality and standard of food supplied under SNP.

While accepting the Audit observation, the State Government stated (June 2024) that in future, quality checks of food items would be carried out at frequent intervals. It was further stated (October 2024) that the Department planned to send samples for testing at the food testing laboratory established by the H&FW Department in Kohima.

The reply of the State Government is not acceptable. The assurance of future compliance did not address the audit finding that no alternative arrangements were made for nearly two years following the closure of the RFTL. The absence of documented efforts to identify or engage accredited laboratories for food testing reflects a lack of proactive planning and accountability. Moreover, the failure of District Administrations to conduct surprise checks and sample testing, as required under Paragraph 2.3 of the guidelines, indicates administrative neglect in safeguarding the quality of food supplied under SNP. The proposed engagement of a local laboratory, while welcome, did not mitigate the systemic oversight during the audit period.

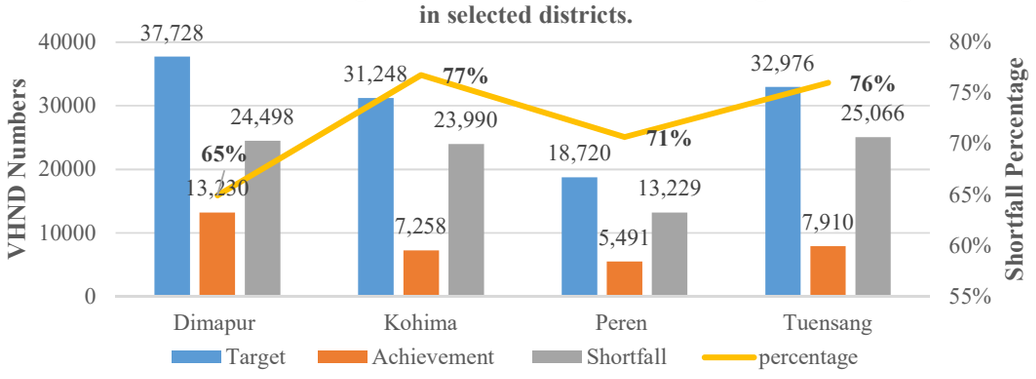
2.3.15.4 Shortfall in conduct of Village Health and Nutrition Day

Paragraph 3.5.7.2 of the NMM Administrative Guideline stipulates that every village shall earmark a fixed date of every month for conduct of Village Health and Nutrition Day (VHND), where participation of Health and Nutrition functionaries (ASHA,

[62] 103rd Report of the PAC (2011-2012) on the Action Taken by the Government on the observation/ Recommendations contained in the 95th Report of the Public Accounts on the C&AG Report of India 2005-06 Recommendation No.1.2.11 Para 3.2.16 (Purchase of food stuffs without quality assurance) of AR.

AWW and AWH) along with sanitation and PRI workers should be ensured. Audit observed that the Department did not maintain records of observation of monthly VHND and there was limited convergence, therefore, Audit captured the Health Management Information System (HMIS) data. Examination of the HMIS of H&FW Department, GoN showed that during 2018-2024, there were shortfalls in conduct of VHND in the four test-checked districts ranging from 65 to 77 *per cent* as shown in **Chart 2.3.6**.

Chart 2.3.6: Percentage of shortfall in conduct of VHND against the target in selected districts.



Source: HMIS of DHFW, Nagaland

Audit further observed that the reason for the shortfall in conducting VHND was due to inadequate collaboration between the AWCs and ASHAs, despite explicit provisions in the NNM guidelines mandating joint participation in VHNDs. The Department's failure to maintain records further reflects weak institutional accountability and monitoring. The shortfall in VHNDs undermined the platform's intended role in delivering essential health, nutrition, and sanitation services at the village level.

In reply, the State Government stated (June 2024) that VHND are conducted as per the Guidelines of National Health Mission and that the Department was only one of the stakeholders in the event.

The reply of the State Government is not acceptable as the scheme guidelines mandated effective convergence of the AWWs and ASHAs. While the Department has stated that VHNDs are conducted in line with NHM guidelines and that it is only one of the stakeholders, this response does not absolve it of its responsibilities under the ICDS framework and the National Nutrition Mission. The guidelines clearly assign joint responsibility to AWWs and ASHAs to ensure convergence and implementation. In the absence of documentary evidence or performance monitoring records, the Department's claim lacks credibility. The continued shortfall points to systemic lapses in planning, coordination, and oversight at the grassroots level.

2.3.15.5 Conclusion

Audit findings reveal systemic gaps in the monitoring and implementation framework of ICDS under the Mission Saksham Anganwadi and Poshan 2.0 in Nagaland. While

institutional structures like monitoring committees were formally constituted, there was a lack of documented evidence of their functioning. Digital platforms like Poshan Tracker faced poor integration and uptake, weakening real-time service monitoring. Absence of robust quality checks for supplementary nutrition, weak inter-departmental convergence for activities like VHND, and inadequate documentation reflect an overall failure to establish an effective mechanism for public participation, data-driven decision-making, and inter-sectoral accountability in delivering child development services.

Recommendations:

The State Government may consider-

(i) institutionalising mandatory documentation of field inspections and monitoring committee meetings at all levels using a standardised digital template linked to Poshan Tracker.

(ii) upgrading digital infrastructure by replacing obsolete smartphones and conducting periodic training of AWWs and supervisors to improve usage of Poshan Tracker and digital record-keeping.

(iii) operationalising partnerships with local NABL-accredited food testing labs and mandate quarterly sample testing of THR and HCM across districts.

(iv) setting up a joint review mechanism with the Health & Family Welfare Department to ensure regular and documented conduct of VHNDs, with monthly reporting at the block level.

(v) developing a publicly accessible dashboard showing performance indicators—beneficiary coverage, quality testing results, VHNDs held, inspections done—to ensure transparency and citizen oversight.

2.3.16 Audit Objective: Whether the outcomes as envisaged in the Scheme Guidelines actually achieved.

2.3.16.1 Development of outcome indicators and evaluation of outcomes

The ICDS Mission - Broad Framework for Implementation underscores the need for a standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring. At the State Level, the Chief Secretary is required to coordinate the activities of various Departments through the State Level Steering Committee to ensure effective convergence between various schemes/programs having bearing on nutrition and review the progress made regarding Nutritional Indicators on a regular basis. Further, the district manual of ICDS envisages evaluation of the outcome-based indicators at the district, block and village level.

Audit observed that the Department did not formulate a standardised framework inclusive of input, output and outcome indicators for evidence-based monitoring.

Audit also observed that the State Level Steering Committee was non-functional, due to which review of the nutritional status of beneficiaries could not be carried out. Audit further observed that evaluation of the outcome-based indicators was not conducted at the district, block and village levels. The absence of outcome indicators, combined with lack of periodic monitoring and scheme implementation evaluations resulted in the scheme falling short of the targets outlined in the NNM Guidelines despite considerable resource allocation.

The State Government did not offer comments on the Audit observation.

2.3.16.2 Nutritional status of children

The National Nutrition Mission aims to achieve improvement in nutritional status of different beneficiary groups in a time bound manner with specific measurable targets. It sought to reduce stunting and under-nutrition (underweight prevalence) in children aged 0-6 years by six *per cent* at a rate of two *per cent* annually. The mission also targeted a reduction in the prevalence of anaemia by nine *per cent* at a rate of three *per cent* annually among young children aged 6-59 months, as well as among women and adolescent girls aged 15-49 years. Additionally, it aims to reduce the incidence of low birth weight (LBW) by six *per cent* at a rate of two *per cent* annually. Audit observed the following deficiencies in nutritional status of children in the State:

(i) Stunting in children

Children are defined as 'stunted' if they are low height-for-age. Stunting is caused by frequent illness, poor health, or malnutrition. Paragraph 3.1 (vii) of the Mission Saksham Anganwadi and Poshan 2.0 Guidelines emphasises growth measurement *i.e.*, length/height and weight in the age group of 6 months to 6 years every month. Efforts shall be made for 100 *per cent* measurement of the children.

Audit observed that records of growth measurement for the period from April 2018 to April 2022 were not available either with the AWCs of the four test-checked districts or with the Department. However, analysis of the available growth measurement data for the period from May 2022 to March 2024 showed that growth measurement of children varied from 0.17 to 60.29 *per cent* during these 23 months.

- As per guidelines (Paragraph 3.1 (vii), Poshan 2.0), all children aged 6 months to 6 years must be measured monthly for growth (length/height and weight).
- However, no records of growth measurement were found for the period April 2018 to April 2022 in any of the four test-checked districts.
- For May 2022 to March 2024, available data showed that only 0.17 to 60.29 *per cent* of children were measured—falling far short of the 100 *per cent* target.
- Audit further observed that the prevalence of stunting in the State averaged 27 *per cent.*

Audit also observed that as per the National Family Health Survey (NFHS-4 and NFHS-5), stunting was reduced from 32.70 (NFHS-4) to 28.60 *per cent* (NFHS-5). This achievement places Nagaland ahead of the National average (35.50 *per cent*) and Assam (35.30 *per cent*) but still behind States like Manipur (23.40 *per cent*) and Sikkim (22.30 *per cent*).

(ii) Wasting and Underweight in children

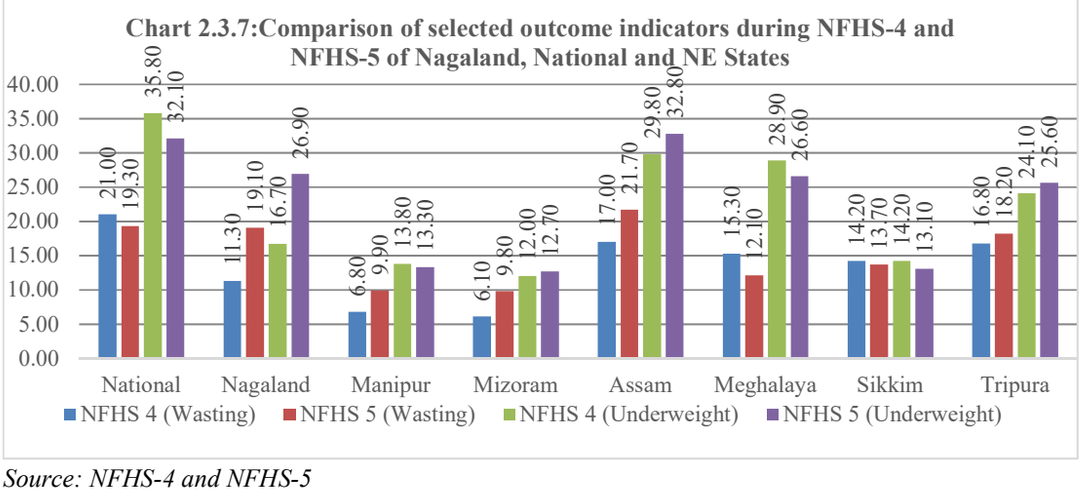
Wasting or low weight-for-height index is a measure of acute under-nutrition and represents failure to receive adequate nutrition. Underweight described the nutritional status of a child with reference to weight-for-age.

Audit observed that the data of wasting in children for the period 2018-2022 was not available with the Department. However, analysis of data regarding underweight prevalence furnished by the Department for the period from May 2022 to March 2024 showed a decrease in underweight prevalence from 7.33 *per cent* in May 2022 to 5.09 *per cent* in March 2024.

A comparison of wasting and underweight prevalence in the age group of zero to five years of NFHS-5 (2019-21) with NFHS-4 (2015-16) showed that the State faces a growing concern in wasting which surged from 11.30 (NFHS-4) to 19.10 *per cent* (NFHS-5), nearing the National average of 19.30 *per cent*.

This rise highlights acute malnutrition challenges in the State. Nagaland's wasting rates now surpass Mizoram (9.80 *per cent*) and Manipur (9.90 *per cent*) though slightly better than Assam (21.70 *per cent*) and Tripura (18.20 *per cent*). A comparative representation of weight-for-age index *vis-à-vis* the national average and the other North-Eastern States is as shown in **Chart 2.3.7.**

Chart 2.3.7:Comparison of selected outcome indicators during NFHS-4 and NFHS-5 of Nagaland, National and NE States



Source: NFHS-4 and NFHS-5

Audit observed that while the State demonstrated a positive trend in reducing the prevalence of underweight children between May 2022 and March 2024, the sharp increase in wasting rates from NFHS-4 to NFHS-5 is a matter of concern. The surge in wasting to 19.10 *per cent*, near the National average, indicates worsening acute malnutrition and reflects shortfalls in timely interventions related to health, sanitation, and food security. The absence of departmental data on wasting for a significant

period (2018–2022) points to serious gaps in monitoring and evidence-based planning.

(iii) Low birth weight in infants

Low birth weight (LBW) is defined by the World Health Organisation (WHO[63]) as weight at birth less than 2,500 grams which can be a consequence of preterm birth or due to small size for gestational age or both. LBW infants are more susceptible for neonatal deaths. The Department could not furnish the data on prevalence of LBW in infants, therefore, HMIS data was captured. An analysis of the HMIS showed that during 2018-2024, the average prevalence of LBW in infants was four *per cent* as shown in **Table 2.3.5.**

Table 2.3.5: Prevalence of Low Birth Weight in Nagaland

Year	No. of New born weighed at birth	No. of New born having weight less than 2.5 kg	Percentage
I	II	III	IV (III/II*100)
2018-19	19,253	806	4.19
2019-20	20,076	883	4.40
2020-21	15,751	601	3.82
2021-22	16,016	554	3.46
2022-23	17,974	773	4.30
2023-24	18,900	740	3.92
Average			**4.0**

Source: HMIS, H&FW Department, Nagaland

It can be seen from **Table 2.3.5** that low birth weight rate of Nagaland is four *per cent* which is lower than the National percentage (NFHS-4: 18 *per cent* and NFHS-5: 18.24 *per cent*).

Audit observed that issues of poor growth monitoring, rising wasting rates and under-nutrition were compounded by short delivery of SNP food items (**Paragraphs 2.3.13.8**) and, weakening the effectiveness of nutrition interventions. These gaps hindered in addressing malnutrition indicators - stunting, wasting, underweight, and low birth weight and in achieving the core ICDS objective of improving child health.

The State Government in its reply stated (June 2024) that AWWs were advised to conduct regular growth monitoring, home visits and also to provide Health & Nutrition Education.

The reply of the State Government is not acceptable. While the Department claimed that AWWs were instructed to conduct growth monitoring and community outreach, no records or monitoring reports were furnished to substantiate the claim. Moreover, the Department failed to maintain direct records on the prevalence of low birth weight, relying instead on secondary HMIS data. The absence of primary data, compounded by systemic nutritional delivery gaps, undermines the Department's

[63] Under definitions of Operational Guidelines for programme Managers & Service provider on "Kangaroo Mother Care & And optimal feeding of Low-Birth-Weight Infants (September 2014)" Child Health Division, Ministry of Health & Family Welfare, Government of India

ability to ensure data reliability and address the broader objectives of the ICDS scheme.

2.3.16.3 Prevalence of Anaemia

Anaemia occurs when red blood cells (RBCs) cannot meet the body's oxygen needs due to insufficient haemoglobin (Hb), a protein that facilitates oxygen transport. Anaemia impairs cognitive and motor development in children, reduces work capacity in adults, and poses risks during pregnancy, including low birth weight and prematurity. The Department did not furnish data on prevalence of Anaemia in the State in respect of children and pregnant mother, therefore, HMIS data is captured. Analysis of HMIS data showed that during 2018-2024, the percentage of anaemic cases among pregnant women (PW) ranged from 13 to 36 *per cent* as shown in **Table 2.3.6.**

Table 2.3.6: Anaemic cases with reference to total number of PW registered for ANC

Year	Total number of pregnant women registered for ANC	Four or more ANC check up	Percentage getting four or more ANC check-up	No. of PW having anaemia	Percentage of PW having anaemia
2018-19	37,402	3,253	8.70	4,891	13
2019-20	39,235	8,838	22.53	8,669	22
2020-21	33,105	5,124	15.49	5,237	16
2021-22	34,272	6,484	18.92	5,970	17
2022-23	33,689	8,872	26.34	7,890	23
2023-24	27,280	8,283	30.36	9,739	36

Source: HMIS, H&FW Department, Nagaland

Audit observed that the Department's failure to maintain data on anaemia prevalence among children and pregnant women, coupled with anaemia rates of 13 to 36 *per cent* among pregnant women, highlights inadequate monitoring and aggravates risks to child development, maternal health and pregnancy outcomes.

The State Government in its reply stated (June 2024) that AWWs were advised to carry out regular home visits and to provide Health & Nutrition Education to pregnant women, lactating mothers and Adolescent Girls. The State Government did not furnish reply for the increasing trend of anaemic cases among pregnant women in the State.

The reply of the State Government is not acceptable because while the Department claimed that frontline workers were advised to conduct outreach and counselling, no documentary evidence was furnished to support this. Further, the Department failed to maintain primary data on anaemia prevalence and did not address the audit finding regarding the increasing trend of anaemia among pregnant women as per HMIS data. The lack of targeted interventions and monitoring mechanisms undermined the objective of improving maternal health outcomes under the ICDS scheme.

2.3.16.4 Conclusion

The ICDS Scheme in Nagaland fell significantly short of achieving its intended nutritional outcomes due to the absence of a standardised monitoring framework, non-functional steering and review committees, and systemic gaps in data collection and programme evaluation. Despite measurable national targets under the National

Nutrition Mission, the State failed to maintain reliable and comprehensive data on key nutritional indicators such as stunting, wasting, underweight, anaemia, and low birth weight thereby compromising evidence-based decision-making and mid-course correction. The State's reliance on secondary data in the absence of primary records, coupled with weak monitoring by AWWs and health staff, hindered effective targeting and delivery of nutrition interventions.

Recommendations:
The Government may consider-

- ***(i) developing and implementing a unified framework of input, output, and outcome indicators in line with the ICDS Mission Guidelines to enable robust, real-time monitoring and evidence-based evaluation.***
- ***(ii) activating the State Level Steering Committee and ensuring regular functioning of District, Block, and Village-level monitoring committees to review nutritional indicators and guide coordinated convergence efforts.***
- ***(iii) ensuring mandatory recording of growth measurement, anaemia prevalence, and low birth weight through AWCs and health facilities, backed by regular audits to improve data quality and reliability.***
- ***(iv) instituting periodic training and measurable accountability protocols for AWWs and Supervisors to ensure consistent growth monitoring, home visits, and nutrition education, with documentary evidence.***
- ***(v) utilising HMIS and Poshan Tracker data to design area-specific, data-driven interventions addressing high rates of wasting and anaemia, with a quarterly review mechanism to track improvements.***

2.3.17 Beneficiary Survey

In October 2023, Audit surveyed 208 beneficiaries present during visits to AWCs in four out of nine DPOs, nine out of 60 CDPOs and 46 out of 3,980 AWCs. The survey aimed to assess beneficiaries' experience regarding the functioning of AWCs and the quality of ICDS services provided. Important findings of the beneficiary survey are as follows:

- 136 beneficiaries (65 *per cent*) stated that against the minimum requirement of 21 days for AWCs to remain open in a month, AWCs were open for only two to five days in a month.
- 45 beneficiaries (22 *per cent*) stated that there were no pre-school kits available in the respective AWCs.
- 62 beneficiaries (30 *per cent*) stated that against the norms of 300 days in a year, THR distribution varied from two to 36 times in a year indicating huge discrepancy in the allocation of THR across the AWCs.
- 182 beneficiaries (90 *per cent*) stated that Health check-up and vaccination was not done.

While accepting the Audit observation, the State Government stated (June 2024) that the shortcomings indicated by the beneficiary survey would be used as a tool for the overall improvement in implementation of the Scheme in the State.

The reply of the State Government is not acceptable. While the Department acknowledged the audit findings and indicated that survey results would be used for improvement, it failed to outline any concrete steps to rectify the deficiencies observed. In particular, the reported functioning of AWCs for only two to five days per month and near-total absence of health services undermines the fundamental objectives of the ICDS scheme. The reply did not address the irregularities in THR distribution and absence of pre-school kits, nor did it provide a roadmap for service restoration or accountability.

2.3.18 Impact analysis

Audit identified key implementation challenges impacting the achievement of core ICDS objectives:

- Despite a reduction in stunting, irregular growth monitoring, increased wasting rates and inconsistent data on low birth weight and anaemia undermined efforts in improving child health. The persistence of acute malnutrition and rising anaemia among pregnant women showed gaps in achieving the ICDS goal of healthy early childhood development.
- The absence of age-specific curriculum, inadequate activity space, and non-availability of pre-school education kits in most AWCs hindered the ICDS objective of supporting children's psychological, physical, and social development.
- The Department's failure to conduct key NHE activities, limited home visits, and rising anaemia rates (13–36 *per cent*) highlighted a lapse in enhancing mothers' capacity to manage health and nutrition, thus undermining a core ICDS objective.

2.3.19 Conclusion

The Performance Audit on implementation of ICDS scheme in Nagaland was conducted to assess the efficiency and effectiveness of planning, financial management, service delivery, convergence programs, monitoring, impact and outcomes. This Performance Audit showed significant shortcomings in scheme implementation. The Department lacked crucial data on eligible beneficiaries due to the non-conduct of household surveys. Financial management suffered as APIPs were prepared without a bottom up approach.

Basic infrastructure such as toilets and drinking water were absent in 97.83 *per cent* of test-checked AWCs. Operational gaps were evident, as uniforms for AWWs and AWHs were not provided annually and minimal Aadhaar seeding occurred. Further, there was no analysis of the calorific value or quality of food items distributed and food items were short delivered despite payments compromising nutritional

objectives. Service delivery was hampered by the lack of ECCE resources such as PSE kits and age-specific books, while monitoring and evaluation mechanisms were inadequate, with shortfalls in conducting VHNDs and the absence of outcome indicators for evidence-based tracking. There was rising rates of wasting and underweight among children, failure to meet targets for reducing low birth weight by two *per cent* annually and increasing cases of anaemia among pregnant women.

Recommendations:
The State Government may consider to-

- ***(i) conduct geo-tagged mapping of all AWCs to identify and address infrastructure gaps such as toilets, kitchens, electricity and drinking water.***
- ***(ii) implement real-time digital stock register and public disclosure of material distribution (e.g., food, kits) at all levels to ensure transparency and prevent misuse.***
- ***(iii) develop and adopt a unified monitoring framework with input, output, and outcome indicators for robust, real-time evaluation and accountability.***
- ***(iv) upgrade the digital infrastructure by replacing obsolete smartphones and conducting periodic training of AWWs and supervisors to improve usage of Poshan Tracker and digital record-keeping.***
- ***(v) leverage data from HMIS and Poshan Tracker to design targeted, area-specific interventions for reducing malnutrition, supported by regular food quality testing.***

Compliance Audit Paragraphs

HEALTH AND FAMILY WELFARE DEPARTMENT

2.4 Excess payment without supply of materials

2.4.1 Introduction

The National Health Mission (NHM) was launched by the Government of India (GoI) in 2013 by subsuming the National Rural Health Mission and the National Urban Health Mission. The aim of the NHM was to provide universal access to equitable, affordable and quality health care services that are accountable and responsive to the needs of the people. The Directorate of Health and Family Welfare (DH&FW), Nagaland is responsible for formulating and implementing health policies, ensuring effective healthcare service delivery and strengthening the State's health infrastructure. State Governments in North-Eastern and Special Category States (including Nagaland) were to contribute 10 *per cent* of the implementation cost (25 *per cent* in case of other States) towards the matching State share of NHM.

2.4.2 Institutional procurement arrangement

The Health and Family Welfare Department, Government of Nagaland (GoN) constituted (June 2021) a departmental Procurement Board for effective planning and management of the procurement of drugs, diagnostics, other health sector goods and

all matters pertaining to procurement system. The departmental Procurement Board was broadly responsible for assessing the requirements, preparation/advertisement and evaluation of the tender document, contract awarding and quality assurance. The departmental Procurement Board endorses a copy of the work/supply order, along with relevant documents, to the departmental Verification Board, which was responsible to ensure the quality related aspects of the items supplied and had full right to reject any items that did not meet the required specification.

2.4.3 Audit scope and methodology

A compliance audit on the accounts of the Principal Director (PD), DH&FW, Nagaland for the period from April 2022 to December 2023 was conducted in January 2024. An entry meeting was held on 08 January 2024 with the Department representatives, followed by issue of audit requisition, examination of records and issue of audit observations. An exit meeting was held on 13 February 2024 with the Department representatives to discuss the audit findings. The Department's replies have been duly incorporated in the report.

2.4.4 Audit findings

i. Unauthorised diversion of fund

Under the NHM, the GoI provides financial support to the States under six financing components, namely, (i) NRHM-RCH Flexi pool, (ii) NUHM Flexi pool, (iii) Flexible pool for Communicable disease, (iv) Flexible pool for Non-communicable diseases including Injury and Trauma, (v) Infrastructure Maintenance and (vi) Family Welfare Central Sector component. Of the above six components, the financial support provided to States under **Infrastructure Maintenance** was meant to meet the salary requirement of regular staffs engaged in implementing Family Welfare Programmes.

Based on the Action Plan **(*Appendix 2.4.1*)** submitted (June 2022) by the Mission Director, NHM, Nagaland for NHM activities, the PD, DH&FW sought (June 2022) approval from the State Government for utilisation of the matching State share of ₹3.85 crore for **Infrastructure Maintenance** under NHM during 2021-22, which was sanctioned by GoN in August 2022.

Audit however, observed that the fund (₹3.85 crore) sanctioned under NHM was irregularly diverted towards procurement of medicines, hospital linens and nursing sundries instead of the activities approved by GoN (***Appendix 2.4.1***) under **Infrastructure Maintenance** in violation of GoN sanction and NHM guidelines. It was further observed that the items procured by diverting the NHM fund, were not even requisitioned/indented by the District-level health units.

In reply, the State Government stated (October 2024) that medicines, hospital linens and nursing sundries were procured based on the decision taken (August 2022) during a meeting chaired by the Minister, H&FW, GoN. The reply is not acceptable, as the **Infrastructure Maintenance** fund was intended to meet the salaries of regular staffs engaged in implementing Family Welfare Programmes and diversion of these funds for other purposes was against the spirit of the NHM.

ii. Faulty procurement process

Rule 144 of the General Financial Rules (GFR), 2017, states that every authority delegated with the financial powers of procuring goods in public interest shall have the responsibility and accountability to bring efficiency, economy and transparency in matters relating to public procurement and for fair and equitable treatment of suppliers and promotion of competition in public procurement. Additionally, Rule 161 of the GFR, 2017, *inter alia,* states that invitation to tenders by advertisement should be used for procurement of goods of estimated value of ₹25 lakh and above.

As pointed out under paragraph (i) *supra*, the funds (₹3.85 crore) sanctioned under **Infrastructure Maintenance** component were diverted towards procurement of medicines, hospital linens and nursing sundries. Audit observed that while inviting tenders for the above procurements, no advertisement was given for inviting the tenders but the Notice Inviting Tenders (NIT) was simply displayed on the Notice board of the office of the Directorate in violation of Rule 161 of the GFR, 2017. The Department thereafter issued the Supply order to the lowest bidder based on three quotations received in response to the NIT. Due to this faulty tendering and supplier selection, the procurement process was vitiated affecting transparency, fairness and correct price discovery.

In reply, the State Government stated (March 2025) that the fund allocated under Family Welfare Programmes was meagre and insufficient to meet the high advertisement cost. It was further stated that, due to anticipated delays in tender finalisation and legal issue, the Department opted for publicity through notice board which was transparent. The reply is not acceptable, as the procurement process adopted was not consistent with the provisions of the GFR, 2017.

iii. Short Supply of Materials

Rule 208 of the GFR, 2017, states that all materials shall be counted, measured or weighed and subjected to visual inspection at the time of receipt to ensure that the quantities are correct, the quality is according to the required specifications and there is no damage or deficiency in the materials. Details of the material so received should thereafter be entered in the appropriate stock register. Further, the officer-in charge of stores should certify the actual receipt of material and proper recording of the material received in the appropriate stock registers. Rule 171 of the GFR, 2017, further stipulated that to ensure due performance of the contract, Performance Security to the extent of 05 to 10 *per cent* of the value of the contract should be obtained from the successful bidder awarded the contract. Besides, Rule 225 (xvi) of the GFR, 2017 states that all contracts shall contain an enabling provision for recovery of liquidated damages for any defaults on the part of the supplier/contractor.

The Department placed (October 2022) supply orders on three suppliers for procurement of medicines, hospital linens and nursing sundries at an aggregate value of ₹3.85 crore as per the details given in **Table 2.4.1.**

Table 2.4.1: Details of supply orders

(Amount in ₹)

Sl. No.	Name of supplier	Items	Supply order date	Amount paid
1.	M/s RS Pharma & Surgico, Dimapur	Medicines	27/10/2022	2,20,00,000
2.	M/s New Homescape, Dimapur	Hospital linens		80,00,000
3.	M/s JB Construction, Kohima	Nursing sundries		85,10,000
Total				**3,85,10,000**

Source: Department records

To ascertain the actual receipt of materials, a Joint Physical Verification (JPV) of the Department Store at Kohima was conducted (January 2024) by Audit and the Departmental officials. The results of the JPV revealed the following:

- Rejection (November 2023) of the medicines valuing ₹14.36 lakh by the departmental Verification Board and non-replacement of the rejected supplies by the Supplier (serial no. 1 of **Table 2.4.1**) (***Appendix 2.4.2***).
- Short supply of hospital linens valued at ₹28.70 lakh by the Supplier (Sl. No. 2 of **Table 2.4.1**) (***Appendix 2.4.3***).
- Short supply of nursing sundries valued at ₹45.36 lakh by the Supplier (Sl. No. 3 of **Table 2.4.1**) (***Appendix 2.4.4***).

Scrutiny of the records revealed that the Department had released (December 2022) full payment of ₹3.85 crore to the Suppliers against supply of the above items without verifying the quality and quantity of the stores received in violation of Rule 208 of the GFR, 2017. Further, the Department did not obtain any assurance from the Suppliers regarding the availability of the items to be supplied while quoting the rates, which ultimately favoured the suppliers. Thus, due to release of payment without confirming the quality and quantity of the supply items, the Department could neither recover the cost of the rejected/short-supplied items (₹0.88 crore) nor effectively insist upon the Suppliers to make good the rejected/short-supplied quantities of material. This led to overpayment of ₹0.88 crore to Suppliers against rejected/short-supplied items.

In April 2024, the Department informed that the Suppliers had made good the short-supplied items (March-April 2024) and requested the Audit to verify the same. Accordingly, Audit re-examined the relevant records on 22 May 2024, and observed that:

- delivery challans, e-way bills and transportation challans of the items purported to have been received were not on record;
- entries made in the Stock Register for the purported receipt of materials were not authenticated by the Officer in-charge of the Departmental Store contrary to the requirements of Rule 208 of the GFR, 2017; and
- there was no enabling clause in the contract/supply agreements for obtaining the security towards Performance Bank Guarantee and Liquidated Damages

so as to ensure due performance of the contract as per the requirements of Rules 171 and 225 (xvi) of the GFR, 2017.

Thus, due to release of the entire payments to the Suppliers without verifying the quantity and quality of the supply items procured and absence of the enabling clause to obtain security against performance guarantee/liquidated damage, the Department could not take any effective action against the Suppliers for making good the cost of rejected/short supplied of items valuing ₹0.88 crore.

In reply, the State Government stated (October 2024) that the suppliers delivered the balance hospital linens on 28 March 2024, nursing sundries on 10 April 2024, and replaced the rejected medicines on 17 May 2024. It was further stated that these deliveries were verified by the departmental Verification Board during April-May 2024 and that, the stock registers produced during the JPV were not authenticated as the supplied items had not yet been issued.

The contention of the State Government was not found to be convincing considering the inconsistencies noticed in their reply during the cross-check (November 2024) with the records of the Commissioner of State Tax (CST), Nagaland as detailed below:

- The supplier, M/s RS Pharma and Surgico, Dimapur[64] (Sl. No. 1 of **Table 2.4.1)** did not supply four out of six rejected medicines worth ₹5.68 lakh[65], during May 2024 contrary to the contention of the reply; and
- The other two suppliers[66] (Sl. No. 2 & 3 of **Table 2.4.1)** had not supplied any item of hospital linens and nursing sundries to the PD, DH&FW, Nagaland[67], during the period from April 2023 to April 2024 as wrongly claimed in the reply.

The results of the cross-verification of the Government's reply with the records of CST, Nagaland discussed above indicated that the suppliers submitted fabricated challans and the Department made full payments without actual receipt of materials. Further, the reply for not authenticating stock register due to non-issuance of any material is also not acceptable as Rule 208 of the GFR, 2017 mandates entry of material received in the appropriate stock register, regardless of their issuance status.

2.4.5 Conclusion

The Department violated NHM guidelines by diverting ₹3.85 crore meant for **Infrastructure Maintenance** for procuring medicines, hospital linens and nursing sundries of which items worth ₹0.88 crore were short supplied or rejected. The Department also failed to comply with Rule 144, 161 and 208 of the GFR, 2017, in

[64] GSTIN-13ASPPA0562Q3ZI

[65] Paracetamol Syrup 125 mg (₹2.10 lakh) + Diclofenac Sodium Gel (₹0.22 lakh) + Ampicillin Cap 250 mg (₹2.76 lakh) + Ranitidine HCL Tablet 150 mg (₹0.60 lakh)

[66] M/s New Homescape, Dimapur (GSTIN-13ALWPT3236E4ZT) and M/s JB Construction, Kohima (GSTIN 13ECRPB7957L1ZZ)

[67] GSTIN-13SHLD04295E1DC

tendering, supplier selection and authentication of items received which compromised the entire procurement process.

Recommendations:

The State Government may-

- ***(i) ensure that NHM funds are utilised as per the Scheme guidelines.***
- ***(ii) take necessary steps to recover the cost of short supplied or rejected supply items.***
- ***(iii) fix responsibility on the officers/officials responsible for releasing the payment to the suppliers without verifying the quantity and quality of the supply items.***
- ***(iv) incorporate enabling clause in all future contracts for obtaining security deposits against Performance Bank Guarantee and Liquidated Damages so as to safeguard its financial interests.***

MUNICIPAL AFFAIRS DEPARTMENT

2.5 Undue benefit

Executive Engineer-II, Urban Engineering Wing, Directorate of Municipal Affairs, Nagaland, Kohima constructed a Working Women Hostel on a privately owned land resulted in undue benefit of ₹13.26 crore to the land owner.

The Ministry of Housing and Urban Affairs (MoHUA[68]), Government of India (GoI) introduced the Scheme "10 *per cent* Lumpsum Provision for the benefit of North Eastern Region, including Sikkim". The broad objective of the scheme is to ensure speedy development of infrastructure in the North Eastern Region including Sikkim by increasing the flow of budgetary financing for new infrastructure projects/schemes in the region. Paragraph 8 (ix) of the Operational Guidelines of the Scheme states that before submitting project proposals to the Ministry, the State Government should confirm that encumbrance-free land is available for the proposed project and that the land will be made physically available to the implementing agency as soon as the project is sanctioned.

The Government of Nagaland (GoN) submitted (September 2014) a proposal to the MoHUA, GoI for **Construction of Working Women Hostel in Dimapur, Nagaland.** Dimapur city, being the commercial capital was a suitable location for the project considering its convenient location for working women and therefore, having potential of high occupancy for the proposed hostel. As per the proposal, a G+3 hostel building[69] of 50 seat capacity was to be constructed on a plot of land to be donated to the State Government by the Northern Angami Public Organisation (NAPO), a Non-Governmental Organisation (NGO). In the Detailed Project Report (DPR) submitted to the GoI, the GoN had stated that the land would be handed over to the

[68] Formerly Ministry of Housing and Urban Poverty Alleviation
[69] Ground *plus* three floors

implementing Department free from all encumbrances upon sanction of the project. It was also stated that NAPO will take the responsibility of Operation and Maintenance (O&M) of the Hostel and that a Committee would be constituted by the Municipal Affairs Department (MAD) for fixation of rent/hostel fees.

The MoHUA approved (March 2015) the project at an estimated cost of ₹9.68 crore on a 90:10 sharing pattern between the Central (₹8.31 crore) and State (₹1.37 crore) Governments. Accordingly, GoI released its share of ₹8.31 crore in three instalments[70] as Grant-in-Aid to the GoN. In turn, the GoN released (November 2016 to June 2020) ₹9.68 crore (GoI share ₹8.31 crore and GoN share ₹1.37 crore) to the MAD for implementation of the project.

The Department invited tender (June 2016) and the work was awarded (September 2016) to M/s K. C. Angami and Sons Consortium, Kohima for ₹7.28 crore with a stipulation to complete the work by September 2018. Subsequently, the project cost was revised and a revised work order was issued (April 2022) for a revised project cost of ₹11.37 crore. Accordingly, the GoN released (April 2022) an amount of ₹3.58 crore to the MAD towards the enhanced project (₹1.69 crore) and additional cost of ₹1.89 crore towards electrification (internal and external), Consultancy charges, Contingency, Quality control and additional site development works. The work commenced in September 2016, was completed in October 2022 at a total cost of ₹11.37 crore and the entire payment (₹11.37 crore) against the project works was also released to the contractor in 18 Running Account (RA) bills. The newly constructed Working Women Hostel was inaugurated in November 2022.

Scrutiny of records of the Executive Engineer-II, Urban Engineering Wing, Directorate of Municipal Affairs, Nagaland, Kohima revealed the following:

(i) The DPR submitted (September 2014) by the GoN to GoI based on which the project was approved (March 2015), envisaged that the Women Hostel under the project would be constructed on a plot of land donated by NAPO to the GoN and NAPO would be assigned only with the responsibility of Operation and Maintenance (O&M) of the Hostel.

Audit observed that after approval (March 2015) of the project, the GoN entered into (May 2017) a Memorandum of Agreement (MoA) with NAPO, which provided that after completion of the project, the project asset (Women Hostel) would be handed over to NAPO for operation on 'own, operate and maintain' basis with sole and absolute ownership of the project land without any interference of the GoN. The terms of the MoA were not consistent with the stipulations made in the DPR based on which the GoI had approved the project.

(ii) Further, as per the MoA entered into (May 2017) between the GoN and NAPO, the State's 10 *per cent* matching share of the project (₹1.37 crore) was to be borne by NAPO. Audit, however, observed that contrary to the MoA provisions,

[70] 1st instalment 30/03/2016 (₹2.77 crore); 2nd instalment 21/02/2019 (₹2.77 crore) and 3rd & final instalment 23/10/2019 (₹2.77 crore)

the GoN not only contributed the State matching share of ₹1.37 crore but also invested an additional fund of ₹3.58 crore in the project.

(iii) The DPR of the project provided for constitution of a Committee by the Department for fixation of rent/hostel fee. Audit observed that no such committee was constituted by the Government contrary to the stipulations made in the DPR. The Hostel building also remained idle even after more than one year of its inauguration (November 2022) due to lack of adequate efforts to publicise its functioning through print and electronic media.

Thus, the GoN utilised the Government funds of ₹13.26 crore (GoI: ₹8.31 crore; GoN: ₹4.95 crore) on construction of a Working Women Hostel on a private plot of land over which the GoN had no ownership rights, leading to undue favour to the land owner (NAPO) to that extent.

While accepting the facts, the State Government stated (September 2024) that a "Supplementary Agreement" was signed (June 2024) between the GoN and NAPO, which provided for reserving 30 *per cent* of the project revenue towards O&M and balance in equal proportion (35 *per cent* each) for GoN and NAPO. It was further added that on completion of this revenue-sharing arrangement, which would last for 15 years (since July 2024), the ownership of the hostel would be transferred to NAPO. It was also assured that to oversee the O&M of the hostel, a Committee comprising representatives from the MAD, NAPO and the Dimapur Municipal Council would be constituted.

The reply is not acceptable, as the project was approved by the GoI based on the assurance in the DPR that the Women's Hostel would be constructed on land donated by NAPO to the State Government. However, the State Government did not obtain *ex-post-facto* approval from the GoI for the subsequent changes to the conditions/arrangements agreed at the approval stage of the project. Besides, the revenue-sharing model adopted by the GoN allows NAPO to receive 35 *per cent* of the project revenue generated and grants ownership of the project building (after 15 years) constructed out of the Government funding of ₹13.26 crore.

Recommendations:

The State Government may-

- ***(i) obtain ex-post-facto approval from the GoI for the subsequent changes made.***
- ***(ii) take necessary steps to review the Memorandum of Agreement entered into with NAPO so as to safeguard the financial interest of the Government.***
- ***(iii) ensure fixation of rent/hostel fees in a fair and transparent manner and extensive publicity of the Hostel for the benefit of the intended beneficiaries.***