

CHAPTER – III : CIVIL DEPARTMENTS
SECTION – A - REVIEW

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Prevention and Control of Diseases

Highlights

The review highlights failure of the State Government to utilise Central assistance of Rs.1.44 crore (National TB Control Programme – Rs.0.20 crore, National Programme for Control of Blindness – Rs.0.40 crore and National Aids Control Programme – Rs.0.84 crore), non-implementation of Revised strategy for National Tuberculosis Control Programme (RNTCP), non-establishment of eye bank, unnecessary blockade of fund, shortfall in achievement of targets fixed for different components of these programme and lack of proper monitoring of implementation of these programmes.

Against total releases of Rs.5.03 crore (Rs.0.27 crore RNTCP, Rs.0.58 crore NPCB and Rs.4.18 crore NACP) by the Government of India, Rs.3.59 crore were utilised during 1996-2001 leaving Rs.1.44 crore (29 per cent) unspent.

(Paragraph 3.1.4 to 3.1.10)

Under RNTCP, none of the 4 DTCs could start functioning due to delay in formation of societies.

(Paragraph 3.1.6)

Under NTCP, in 7 out of 13 districts in the State, no DTCs were established. Even the 6 functional DTCs were not provided with all the essential equipment.

(Paragraph 3.1.17 to 3.1.19)

Unproductive expenditure of Rs.8.71 lakh due to non-functioning of the State TB Training Demonstration Centre at Naharlagun.

(Paragraph 3.1.21 & 3.1.22)

Nine districts with a population of 5.45 lakh were deprived of the benefit of district mobile eye units (DMUs) due to non-appointment of eye specialist etc. for 4 districts and non-sanctioning of the DMUs for 5 districts.

(Paragraph 3.1.27)

Shortfall in achievement in cataract surgery during 1996-2001 varied from 35 to 73 per cent.

(Paragraph 3.1.32)

No eye bank was established either in the Government sector nor by NGOs.

(Paragraph 3.1.39)

Unnecessary locking up of fund of Rs.13.00 lakh for purchase of 6500 wall clocks for distribution/display to different hostels/schools prior to selection of NGO.

(Paragraph 3.1.57)

Doubtful expenditure of Rs.7.19 lakh for procurement of consumables, reagents etc.

(Paragraph 3.1.64 & 3.1.65)

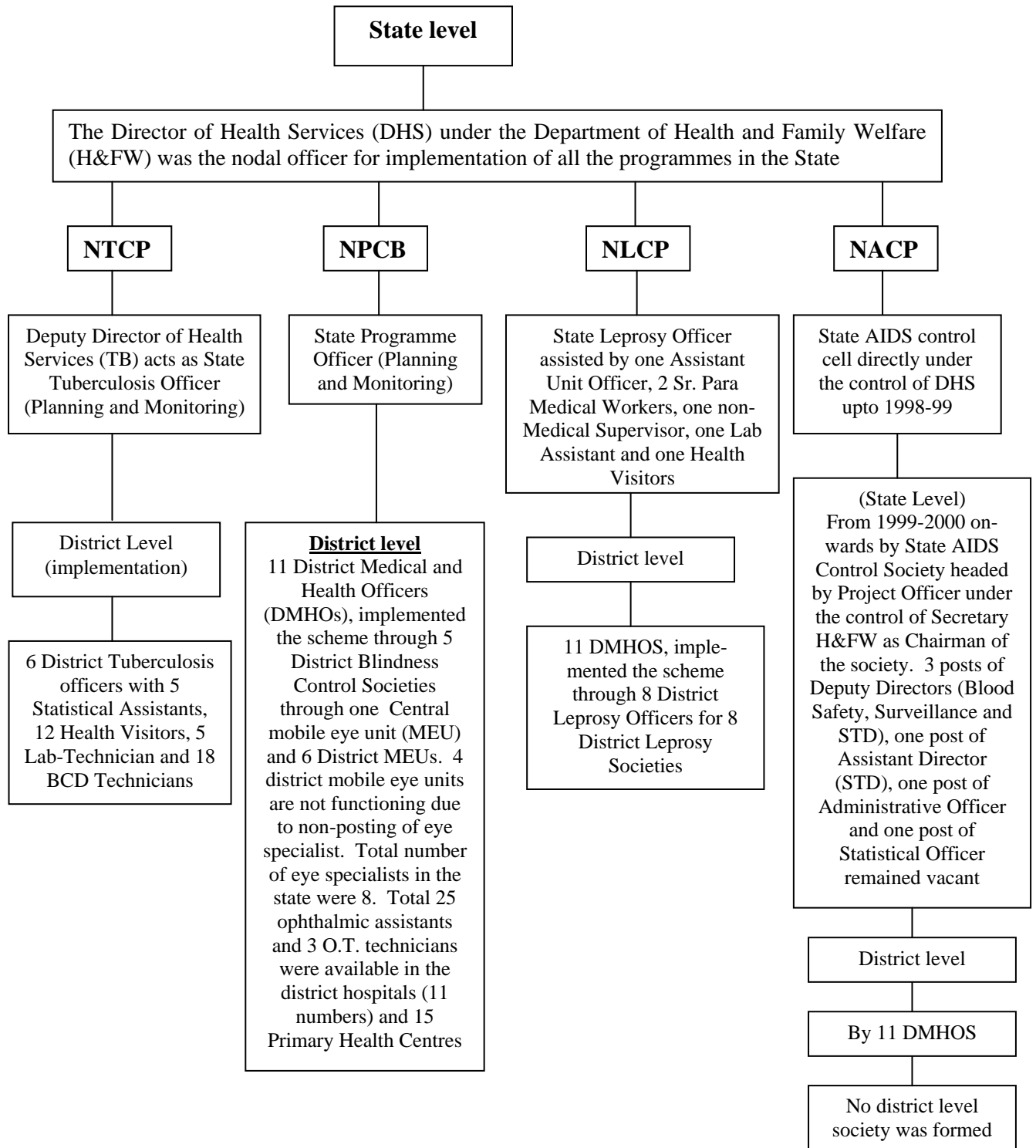
Introduction

3.1.1 Of many public health hazards encountered by the country the 4 diseases, viz. Tuberculosis (TB), Blindness, Leprosy and Acquired Immune Deficiency Syndrome (AIDS) have caused tremendous socio-economic problem to the country. The objective of the National TB Control Programme (NTCP) had been implemented in the state since 1996-97 with the aim to detect the disease amongst the population and to treat them for the remedy. The National Programme for Control of Blindness (NPCB) was launched in the state in 1981-82 with the aim to reduce incidence of blindness from 1.4 per cent to 0.3 per cent of the population by 2000 AD by providing eye care service to the community. The thrust of the National Leprosy Control Programme (NLCP) launched in the state in the middle part of 1981, was to reduce the cases to less than one per 10,000 population by the year 2000 AD, by way of early detection and prompt treatment. The objective of National AIDS Control Programme (NACP) introduced by the Government of India in 1992, was mainly to combat spread of HIV infection. The programme was implemented in the state from 1992.

Organisational set up

3.1.2 The organisational structure for implementation of the programmes is detailed below:-

Chart – 3.1



In the State so far one State Society under NACP made operational. The State Society under RNTCP has not yet started functioning.

Audit Coverage

3.1.3 The implementation of the Prevention and Control of Diseases Programmes (National TB Control Programme, NPCB, NLEP and NACP) during 1996-97 to 2000-2001 were reviewed during February-April 2001 based on test-check of records of the DDHS(TB), Naharlagun, 3 out of 6 DTOs (East Siang, West Kameng and West Siang), 3 DTCs (Bomdila, Along and Pasighat) and ISTCS (Naharlagun), SPO, Naharlagun and 3 DBCS at Pasighat, Along and Bomdila, SLO, Naharlagun and 4 DLS (Naharlagun, Pasighat, Bomdila and Along), SPO-SACC and Project Director-APSACS, 2 STD clinics and blood banks attached to two general hospitals at Naharlagun and Pasighat and covered 66 *per cent* (Rs.565.73 lakh) of total expenditure (Rs.862.41 lakh) under 4 programme during 1996-2001. Important points noticed are discussed in succeeding paragraphs.

Finance

3.1.4 Implementation of NACP in the state was financed entirely by the Government of India (GOI) while for the remaining 3 programmes viz. NTCP, NPCB and NLCP the state efforts were supplemented by assistance rendered in cash or kind by the GOI. With the formation of societies under the four programmes, central cash assistance was released directly to the societies for implementation of specified activities while central assistance in kind or cash for development of infrastructure continued to be released to the state government. The actual expenditure under the programmes from state side and out of the central assistance as furnished by the department and as appeared in the annual accounts prepared by the societies during the period 1996-97 to 2000-2001 are given in **Appendix-XVI**. The following points were noticed:-

Central assistance remained unutilised

3.1.5 It would be seen from **Appendix-XVI** that unutilised Central assistance at the end of 2000-01 was to the tune of Rs.1.44 crore {RNTCP – Rs.0.20 crore (4 societies), NPCB – Rs.0.40 crore and NACP – Rs.0.84 crore} against a cash grant of Rs.5.03 crore received during the 5 years period ended March 2001.

3.1.6 In respect of RNTCP unutilised balance of Rs.20.43 lakh Central assistance: Rs.19.78 lakh and interest earned on bank deposit (Rs.0.65 lakh) by the 4 test checked societies (STCS, Naharlagun and 3 DTCs at Pasighat, Along and Bomdila) during the period from 1998-99 to 2000-01 was mainly due to non-encashment of bank drafts (Rs.13.55 lakh) by the DTCs at Along and Bomdila and the balance of Rs.6.88 lakh was retained by the STCS, Naharlagun for utilisation for payment of salaries of contractual staff. These 4 DTCs also could not start functioning due to delay in formation of societies and non-encashment of bank drafts.

3.1.7 The unutilised central assistance of Rs.40.60 lakh (Rs.58.35 lakh – Rs.17.75 lakh) with Government under NPCB during 1996-2000 ranged

between 27 and 65 *per cent* of the total fund released. The state government, however, had not assigned any reason for non-release of central assistance amounting to Rs.12.10 lakh to the State Project Officer (SPO) for implementation of the programme. Out of Rs.12.10 lakh, Rs.8.22 lakh remained unutilised under sub head “State Ophthalmic Cell” alone during 1996-2000.

3.1.8 In respect of NACP it was seen that at the end of operational period of the programme under phase-I (upto 31.3.1999), a total amount of Rs.32.39 lakh out of Central assistance of Rs.1.59 crore provided during 1996-97 to 1998-99 remained unutilised with the state government due to non-release of the amount to the State AIDS Control Cell (SACC). It was also noticed that in addition to Rs.32.39 lakh, the state government also retained another amount of Rs.16.49 lakh, being the unutilised balance of Central assistance pertaining to earlier periods from 1992-93 to 1995-96 and which has already been pointed out in paragraph 3.4 of the Audit Report of the Comptroller and Auditor General of India for the year ended 31st March 1996. Further, as per guidelines under Phase-II of the programme, unutilised balance of Central assistance which remained with the SPO/state government was to be transferred to the PD-APSACS for utilisation under Phase-II. The state government, however, had not transferred Rs.48.88 lakh as of April 2001. The reasons for under utilisation of Central assistance by the societies had not been ascertained by the State programme officer.

Expenditure not regularised

3.1.9 The position of Central assistance received along with additional fund mobilised by interest earned on bank deposit, Public donations etc. and expenditure incurred against 3 test checked DBCS (Pasighat, Along and Bomdila) out of 5* DBCS in the state during 1996-2001 appear in **Appendix-XVI**.

3.1.10 It can be seen from **Appendix-XVI** that no Central assistance was provided to any of the three test checked societies during 2000-2001 and the reason thereof was not on record. The annual quantum of Central assistance of Rs.3.00 lakh for societies was determined (January 1993) by Government of India such as (i) For Contractual remuneration for DBCS-Rs.0.60 lakh (ii) For Consumables for cataract surgery-Rs.1.50 lakh (iii) For Secretariat assistance and POL – Rs.0.40 lakh and (iv) Contingencies – Rs.0.50 lakh.

3.1.11 From the details of actual expenditure (as given below) in respect of two societies (Pasighat and Along) it was, noticed that the expenditure was not regulated as per prescribed norm.

* Pasighat, Along, Bomdila, Khonsa and Tawang.

Table – 3.1

Society	Year	Contractual remuneration	Consumables for cataract surgery	Secretariat assistance and POL	Contingency	IEC	Total
Pasighat	1997-98	Nil	1.69	0.34	0.72	0.17	2.92
	1998-99	0.12	3.19	0.28	0.06	0.07	3.72
Along	1998-99	Nil	2.64	0.07	0.28	...	2.99
	1999-2000	Nil	2.10	0.37	...	0.94	3.41

Source :- From the Department

3.1.12 The reasons for short release of Central assistance to Pasighat society during 1997-98 and Along society during 1998-99 was neither available on record nor stated (March 2001). However, in all cases, expenditure under the component "Consumable for cataract surgery" exceeded the amount fixed under the norm to the extent of 13 to 113 *per cent*. The excess expenditure was mainly met from savings available under other components. The reasons for deviation were not on record.

Diversion of fund for construction of buildings/barracks etc.

3.1.13 In respect of NLCP, the percentage of unutilised balances at the end of each year during 1996-97 to 2000-2001 varied from 14 to 54 *per cent*. The Assistant Unit Officer (AUO), Leprosy stated (March 2001) that savings occurred due to late release of fund by GOI.

3.1.14 As per guidelines issued by the Director General of Health and Services (DGHS) Ministry of Family Welfare – New Delhi during 1994, there was no provision for incurring expenditure on construction/minor works out of the Central assistance provided to the societies. Test check (March 2001) of annual accounts of the societies revealed that 4 societies viz, Bomdila (Rs.0.40 lakh), Tezu (Rs. 3.72 lakh), Naharlagun (Rs.3.40 lakh) and Along (Rs.0.56 lakh) had irregularly spent a sum of Rs.8.08 lakh on construction of buildings/Barracks, etc. during 1996-97 to 1999-2000 without obtaining the approval of the GOI. The unauthorised expenditure led to diversion of funds.

Implementation

(a) National Tuberculosis Control Programme

3.1.15 Under the NTCP, a District TB Centre (DTC) in every district and a TB unit at sub district level in association with all the existing medical and health institution is to be established.

3.1.16 The programme is being implemented in the state by only 6 DTCs (Bomdila, Tezu, Deomali, Ziro, Pasighat and Along) under the control of 6 DTOs with the help of Peripheral Health Institutions (PHI) including PHCs and CHCs at sub-district (rural) level. The service of PHIs was utilised as Microscopic Centre (MC), X-ray Centre (XC) and Referral Centre (RC). No separate TB unit as contemplated under the programme was established at sub-district (rural) level.

In seven out of thirteen districts in the State, no separate DTCs were established and the functional DTCs were not provided with the essential equipment

3.1.17 In 7 out of 13 districts in the state, separate DTCs as per provision of the programme guidelines have neither been established and no reason had been assigned thereof. As a result, people/TB patients of these districts were deprived of the facility of District TB centre. Even the existing 6 DTCs (Bomdila, Tezu, Pasighat, Ziro, Deomali and Along) were not provided with essential equipment though the DTC wise requirement of equipment and vehicles were one X-ray unit, 2 Microscope, 1 vehicle (Maruti Gypsy) and 1 Odelca Camera with X-ray film (1 with 10 rolls) for each district.

3.1.18 The newly established DTC at Along (1996) was not yet provided with a vehicle while the existing vehicles of the other 5 DTCs supplied during the year from 1980 to 1994, were not in good condition. 2 vehicles of DTCs Pasighat and Deomali were beyond economic repair and were withdrawn from road from January 1996.

3.1.19 The Director General of Health Services, New Delhi was therefore requested (January 1996) by the DHS-AP to supply the required equipment and vehicles to 6 DTCs. The equipment and vehicles, however, had not been supplied by the DGHS till April 2001 despite reminder in June 1997.

Twenty eight centres were not functioning for want of microscope, MOs and Lab. Technicians etc.

3.1.20 From the records of the three test checked DTCs (Bomdila, Pasighat and Along) it was seen that out of 53 centres {Bomdila-21 (MC**-5, XC-4, RC-12), Pasighat-18 (MC-10, XC-3, RC-5) and Along-14 (MC-3, XC-4 and RC-7)}, 28 centres {Bomdila-8 (MC-3, RC-5) Pasighat-12 (MC-7, RC-5) and Along-8 (MC-1, RC-5 and XC-2)} were not functioning from 1996-97 due to non-availability of microscopes, non-posting of MOs and laboratory technicians etc. These 28 centres therefore had not carried out any activities under NTCP. The exact number of total population affected due to non-functioning of the centres was not available on record but under 10 non-functional MCs (3 under DTC, Bomdila and 7 under DTC, Pasighat) total population involved was 52,603. The State Programme Officer (SPO) had not

** MC=Microscopic Centres
XC=X-Ray Centres
RC=Referral Centres

taken up the matter with the Government to make the 28 centres functional and the reason thereof was not furnished.

Unproductive expenditure due to non-functioning of State TB Training and Demonstration Centre

3.1.21 In terms of provision of NTCP guidelines, one State TB centre otherwise known as State TB Training and Demonstration Centre (STBTDC) was to be established in each state for imparting training and re-orientation to the personal engaged in the TB Control Programme, organising seminars and re-orientation training courses for general health services personal, private practitioners etc. and for conducting epidemiological and laboratory studies essential for the TB programme.

3.1.22 Accordingly, one STBTDC was established at Naharlagun in November 1997 at a cost of Rs.8.71 lakh through funds provided by the state government. It was, however, noticed that except holding 2 days refresher training course on two occasions in October 1997 and October 2000 for training 40 TB health staff of different disciplines, the building was not put to use and remained idle. The DDHS (TB) (March 2001) informed that the centre could not be put to use for want of equipment such as X-ray units, Odelca Camera with X-ray films, microscope, vehicle and staff. As the centre was near non-functional, the investment of Rs.8.71 lakh remained unproductive.

Performance

Detection of new TB cases by sputum examination

3.1.23 Achievements vis-à-vis targets in respect of detection of new TB cases by sputum examination in TB clinics under DTCs and different Peripheral Health Institution (PHIS) including PHCs/CHCs were indicated in **Appendix-XVII**.

3.1.24 For detection of new TB cases, it was found that the achievements were far higher than the targets set and there were no reasons on record, nor could be stated by the SPO. The setting of the target were not realistic. The reason for abrupt reduction of targets for new sputum examination during the year 1999-2000 and 2000-01 was attributable to non-functioning of 28 centres for want of equipment and staff. However, it was seen that the percentage of annual rate of new sputum examination with reference to population covered during the period from 1996-97 to 2000-01 were in the decreasing trend and it varied from 1.18 to 0.40 and the percentage of annual rate of patient cure with reference to TB cases detected was also in the lower side and it ranged from 8.32 to 20.21 only. The annual prevalence rates of TB per 100 population in the state with reference to new sputum examination and Sputum+ve detected were in the increasing trend and it varied from 4.85 to 7.24 during the period from 1996-97 to 2000-01 which indicates an unfavourable impact of the measure taken. Similarly, a reduction in new case detection rate indicated a reduction in coverage of case detection.

Treatment

3.1.25 As per information made available to audit by the SPO, the number of TB cases brought under treatment and number of TB cases discharged after completion of treatment were indicated in **Appendix-XVIII**.

3.1.26 The percentage of old and new cases and number of patients discharged each year could not be assessed as the information in respect of the number of old cases brought under treatment each year was not available on the records of the SPO.

(b) National Programme for Control of Blindness (NPCB)

Nine districts with a population of 5.45 lakh were deprived of the benefit of mobile eye service

3.1.27 According to 1991 census, the total population in the 13 districts of the state stood at 8.65 lakh. To provide eye care services to the people of 13 districts in the state, one Central Mobile Unit (CMU) at Naharlagun under Papumpare district and 6 District Mobile Eye Units (DMUs) were created between 1985-86 and 1999-2000. The details of expenditure on creation of these units were not available on records, but only 2 DMUs in respect of Tirap and West Siang districts were functioning. The remaining four DMUs in the districts of East Kameng, Upper Subansiri, Dibang Valley and Changlang remained non-functional due to non-appointment of eye specialists and Para-Medical Ophthalmic Assistants (PMOAs) by the state government. The DMUs for the other five districts viz. West Kameng, Tawang, Lower Subansiri, Lohit and Upper Siang have not yet been sanctioned and the reasons thereof were not stated (April 2001). As a result, benefit of mobile eye service could not be extended to a large section of the population numbering 5.45 lakh under nine districts as on date (March 2001). Similarly, against 2 general hospitals and 11 districts hospitals, eye specialists are available only in 2 general hospitals and 4 districts hospitals.

Implementation

Plan of Action

3.1.28 On scrutiny of records of three test checked DBCS (Pasighat, Along and Bomdila), it was noticed that no plan of action for all the activities (cataract surgery, screening for refractive errors and provision of spectacles, eye Health Education including Ocular injuries and Rehabilitation of incurably blind) was prepared annually. None of the DBCS had furnished any reasons for this omission. Thus, in the absence of proper plan of action there was no scope to assess how far the objectives of the programme were achieved by each society per year.

3.1.29 The details of activities connected with the 4 components carried out by the societies and shortcoming noticed therein were as under :

Cataract Surgery

3.1.30 As per strategies adopted under NPCB, cataract operations were performed mainly in permanent hospitals i.e. two general hospitals and four district hospitals (Along, Khonsa, Yingkiong and Tawang) equipped with ward and theatre facilities and partly by holding camps either in well equipped PHCs/CHCs or through improvised wards/theatre at camp sites. Under three test checked districts only two CHCs at Basar and Likabali in the district of West Siang were used as camp sites.

3.1.31 The details of cataract operations done at permanent hospitals and at camps during 1996-97 to 2000-2001 appear in **Appendix-XIX**.

Shortfall in achievement in cataract surgery during 1996-2001 ranged from 35 to 73 per cent at Permanent Hospitals

3.1.32 It was seen from **Appendix-XIX** that the shortfall in achievement of target of cataract operations during 1996-97 to 2000-2001 ranged from 35 to 73 *per cent*. The SPO in his reply on shortfall stated (April 2001) that the annual target for cataract operation for the state as fixed by Government of India was too high considering limitations of inaccessible terrain, lack of communications, shortage of ophthalmic manpower, lack of motivation of backward tribal people etc. The SPO however, had not furnished any reason for downward trend of performance of operation during the last two years as compared to the earlier three years. The basis on which targets were fixed by Government of India was not available on record nor could be furnished by the SPO. The SPO also stated that the matter regarding reduction of annual target for cataract operation was already taken up with Government of India at the level of state government (April 1998) but the reaction of Government of India was not yet made known.

Only 12 eye camps were held during 1996-2001 and 9706 patients were checked

3.1.33 No target for holding eye camps was fixed either by Government of India or by the state government. Achievement in respect of eye camps held, patients checked etc. are shown in the **Appendix-XIX**.

3.1.34 During the period of five years from 1996-97 to 2000-2001, 12 eye camps were held in the state and 9706 patients were checked which constitutes only 1.12 *per cent* of the total population (8,64,558) of the state. The reasons for poor performance in holding eye camps and patients checked were attributed by the SPO, NPCB due to poor infrastructure and inadequate provision of funds.

Spectacles were not provided to 141 confirmed cases of refractive errors for want of fund under screening for refractive errors and provision of spectacles

3.1.35 The records relating to information of the number of cases of vision screening done by the DBCS for the state as a whole for the period from 1996-97 to 2000-2001 were not maintained. Records of three test checked DBCSs also showed that this activity was undertaken in limited cases, confined mainly to school children without making the activity a regular item of the annual plan of DBCSs.

3.1.36 The details of activities carried out by three DBCSs during 1996-97 to 2000-01 appear in **Appendix-XX**.

3.1.37 Three DBCS carried out 2809 nos of screening for refractive errors during 1996-97 to 2000-01 which constituted a testing of only 0.96 *per cent* of the population in the three districts. It was further noticed that in respect of 219 confirmed cases of refractive errors spectacles could be provided to only 78 school children. Performance of the three societies in respect of screening for refractive errors and provision of free spectacles was poor.

Services of 80 trained teachers were not utilised under Eye Health Education/Information, Education and Communication (IEC)

3.1.38 IEC activities include identification and motivation of potential beneficiaries through educating voluntary groups, teachers and other relevant persons. Scrutiny of records showed that 80 teachers (Along-53, Bomdila-27) out of 2282 teachers available in the three test checked districts were trained in matters of eye screening during the last five years from 1996-97 to 2000-01. No indication was however, available on record to show that the trained teachers had rendered any service in the matter of identification and motivation of potential beneficiaries and no reasons had been furnished (December 2001).

Other Connected Activities

No eye bank was developed either at Government sector or at the level of NGO

3.1.39 There is no eye bank in the state. The SPO stated that due to fund constraints and non-receipt of any response from NGOs, an eye bank could not be developed as yet. In the absence of any eye bank in the state, the observance of National Fortnight on Eye Donation and holding of radio talks on the subject year after year did not generate the response required.

(c) National Leprosy Eradication Programme

Non-preparation of Annual Action Plan (AAP)

3.1.40 On scrutiny of records of 4 test-checked* District Leprosy Societies (DLS), it was seen that none of these societies had prepared any AAP for the years from 1996-97 to 1999-2000. It was stated by the Assistant Unit Officer (AUO) Leprosy of DLS Naharlagun that AAP could not be prepared for want of expert person while the other 3 DLS had not furnished any reason for non-preparation of AAPs. In the absence of the AAPs, shortfall if any, in respect of training imparted, IEC activity etc., during 1996-2000 could not be verified in audit.

Target and achievement of case detection/survey, examination etc.

3.1.41 The targets of new case detection, cases brought under treatment and cases to be discharged were fixed by the GOI. Details of cases actually detected, treated and discharged and population covered by enumeration and examination each year during 1996-97 to 2000-2001 are shown in **Appendix-XXI**.

Objective of the programme was not achieved

3.1.42 On the basis of annual prevalence rate of Leprosy per 10,000 population in Arunachal Pradesh as furnished by State Leprosy Officer (March 2001), the target for new case detection should have been fixed by GOI. But the targets for new case detection and new cases brought under treatment as fixed by the Ministry of Health and Family Welfare Department, (Leprosy Division) New Delhi remained more or less static in all the years during 1996-97 to 2000-2001 and was far below achievements reported. The basis of target fixation by GOI were not on record but the achievements clearly represented that the targets set were unrealistic.

3.1.43 Hence, the objective of the programme to eradicate leprosy by 2000 AD by reducing case load to less than 1 per 10,000 population was not achieved by the state as the prevalence rate even at the end of March 2001 remained 2.05 per 10,000 population.

Mobile Leprosy Treatment Units (MLTU)

Performance of MLTUs in the 4 societies could not be verified in Audit for non-maintenance of record

3.1.44 As per guidelines, each MLTU will remain in the field for 10-12 days in a month at a stretch making night halt at different pre-identified places. The MLTU will diagnose new patients and provide Multi-Drug Therapy (MDT) Service to them and also to the defaulters (those who had not taken complete treatment).

* Naharlagun, West Siang, West Kameng and East Kameng

3.1.45 It was noticed that out of 13 districts, only 4 districts (East Siang, West Siang, West Kameng and East Kameng) were tested as moderately endemic districts while the remaining 9 districts were classified as low endemic districts. As per norms laid down, 2 MLTUs were permitted for each moderately endemic districts and one MLTU for each low endemic district. There are 8 MLTUs functioning at the District Headquarters at Khonsa, Pasighat, Along, Tawang, Changlang, Tezu, Naharlagun and Bomdila which cater to the need of the whole state. Of these, Pasighat, Along and Bomdila though falls under category of moderately endemic, no second MLTU was created for these districts so far.

3.1.46 On scrutiny (March-April 2001) of records of 4 societies test checked, it was found that none of the societies had maintained any record showing the pre-identified places to be visited by MLTU, quantity of medicines distributed in each visit, number of patients treated and defaulters searched out. In the absence of records, performance of MLTUs in the 4 societies could not be verified in audit.

3.1.47 However, test-check of log books of the vehicles used for MLTU services in respect of DLO Bomdila and DLO Along revealed that none of the vehicle was utilised by the respective DLOs to perform the required 120 days of duty in a year and the shortfall in respect of MLTU services in the two districts (Bomdila – 89 to 209 days and Along – 75 to 336 days) ranged between 63 and 95 *per cent*. The societies had not stated the reasons for shortfall.

Misutilisation of GOI fund due to non-maintenance of records

3.1.48 As per guidelines, incentives were payable to the MLTU staff engaged under the programme while attending additional duties under multi-drug regimen. Scrutiny of annual accounts of the 4 test checked societies*** revealed that an amount of Rs.5.69 lakh was paid as incentive to the staff during 1996-2001, but none of the Society could however, justify these payments as no records in support of additional duties performed by the MLTUs staff were available. The payment of incentive of Rs.5.69 lakh was irregular and GOI funds were misutilised.

(d) National Aids Control Programme

3.1.49 Implementation of NACP under its different operational components is discussed below:-

*** (i) Divisional Leprosy Society Subansiri, Naharlagun (Rs.1.88 lakh), (ii) District Leprosy Society, West Siang, Along (Rs.2.37 lakh), (iii) District Leprosy Society East and West Kameng, Bomdila (Rs.0.76 lakh), (iv) District Leprosy Society, East Siang, Pasighat (Rs.0.68 lakh).

Programme Management

3.1.50 As per information made available to audit, out of 18 posts of different categories sanctioned by GOI under the NACP, only 7 posts (4 posts under SAAC and 3 posts under APSACS) were filled up till April 2001 leaving 11 posts vacant (**Appendix – XXII**). It was also noticed that the vacant posts were advertised in newspapers only as recently in February 2001 and no further progress in the matter of selection and appointment of staff against these vacant posts was made till April 2001. Thus delay in appointment of required staff had affected the activities connected with IEC, VCT, blood bank, blood testing and monitoring/evaluation of the programme in particular.

Priority Targeted Intervention (PTI) for groups at high risk

3.1.51 The project aims to reduce the spread of HIV in groups at high risk by introducing target population and providing counselling, condom promotion, treatment of STIS* and client programme. The identification of Commercial Sex Workers (CSWs), Truck Drivers (TDs), Injecting Drug Users (IDUs) etc. has not been made in the state either by the SAAC or APSACS during 1996-2001 and no specific allotment of fund for the component was made by NACO.

Condom delivery system

3.1.52 During the period from 1996-97 to 1999-2000, only 40,000 Nirodhs (condoms) valued Rs.0.10 lakh were received by the Society from NACO for distribution to the population at subsidised rate of Rs.2/- for a packet of 5 pieces of condoms through NGOs under social marketing. Till date (April 2001) the entire condoms received are in stock and the reasons for their non-distribution has not been stated (December 2001).

Preventive Intervention for the general community

3.1.53 Activities under this component are carried out under three separate sub-components as detailed below :-

Six Districts with a population of 3.28 lakh remained uncovered under FHACs programme

3.1.54 Against the Central assistance of Rs.99.68 lakh released during 1999-2000 to 2000-2001 for IEC activities, Rs.71.44 lakh was incurred on advertisement in newspapers/distribution of flags/banners and display of hoardings on the occasion of World's AIDS day (WAD), procurement of materials etc. and the balance of Rs.28.24 lakh remained unutilised.

* STIS : Sexually transmitted infections

3.1.55 The main IEC activity was done by holding two Family Health Awareness Campaigns (FHACs) – one in December 1999 at a cost of Rs.27.25 lakh by covering 7 districts (East Siang, West Siang, Lohit, West and East Kameng, Papumpare and Tirap districts) out of 13 districts of the state. As a result, 6 districts (Dibang Valley, Changlang, Tawang, Lower and Upper Subansiri and Upper Siang districts) with a population of 3.28 lakh remained uncovered by this programme. Though there was no fund constraint, the reasons for not covering the remaining 6 districts under FHAC were not furnished by the Society.

3.1.56 Again, 12 districts (except Dibang Valley) were covered in June 2000 under second FHAC and a total amount of Rs.27.28 lakh was spent but Dibang Valley was not covered even under this FHAC. Out of 12 DMOs, 6 DMOs had not submitted to the Society utilisation certificates in respect of cash grant of Rs.12.20 lakh till December 2001.

Unnecessary locking up of fund of Rs.13 lakh due to procurement of 6,500 Wall Clocks far in advance of requirement

3.1.57 Scrutiny of records of the society revealed that 6,500 wall clocks being a part of IEC material were procured (April 2000) from a Guwahati based firm at a cost of Rs.13.00 lakh for distribution/display/in different hotels/schools through NGOs. It was, however, noticed from the stock register that the materials were lying with the Society undistributed due to non-fulfilment of terms and conditions stipulated in the guidelines by the 4 NGOs selected (November 2000) by the Society for the purpose. The procurement of IEC materials was not justified and resulted in unnecessary blockade of Rs.13.00 lakh for the last one year.

3.1.58 In another case, it was also noticed that 12 sets* of Public Announcement Systems were procured (September 2000) by the Society from a local firm at a cost of Rs.3.91 lakh for distribution to 12 DMOs. Out of 12 sets only 2 sets were issued (December 2000) to 2 DMOs (Seppa and Pasighat) while the remaining 10 sets valued Rs.3.25 lakh were lying undistributed without any recorded reason. On cross check of records of DMO-Pasighat, it was noticed that the PA system could not be used for IEC activities due to non-supply of cables for the system by the Society. Non-distribution of 10 sets immediately after receipt also indicated that there was inflated projection of needs.

Providing Voluntary Testing and Counselling (VTC)

3.1.59 On scrutiny of records (March – April 2001) of the Society, it was seen that during the period from 1996-97 to 2000-2001, no specific fund for the purpose was allotted by NACO and consequently activities contemplated under VTC were not undertaken in the state.

* Each set consist of Amplifier with Tape Deck, Microphone stand, Microphone tiepin, Speaker and Cable speaker

Reduce transmission of AIDS by blood transfusion and occupational exposure

Functional status of the BBs

3.1.60 Under Government Sector, in Arunachal Pradesh there are two Blood Banks (BBs) attached to the two General Hospitals (GH) at Naharlagun and Pasighat. The Society, however, had not taken any action for their upgradation and modernisation.

3.1.61 Test-check of records revealed that the BB at Naharlagun General Hospital was not functioning since June 1996 as out of two refrigerators, one was received in a defective condition from NACO in 1995 and the other went out of order from June 1996. Repair and replacement of the same was not undertaken as of April 2001. Besides, two Elisa Readers supplied to it by NACO in July 1992 for conducting Human Immune Deficiency Virus (HIV) tests were installed after lapse of 4 years in July 1996 due to non-deployment of service engineer in time by NACO. BB at General Hospital, Pasighat though established in 1998, actually started functioning from February 2001. The specific reason for delay in making the BB functional was not on record.

3.1.62 In the absence of any target, shortfall if any, regarding blood tests conducted by the two BBs could not be ascertained in audit. It was, however, noticed from the records of General Hospital, Pasighat that during 1996-99, 3 types of Blood tests (HIV Rapid, VDRL and HBSAG) were not carried out for a period ranging from 3 to 12 months due to shortage/inadequate supply of test kits. The details are indicated in **Appendix-XXIII**.

Non accountal/ shortage of eight test kits due to incorrect maintenance of stock book by the Society

3.1.63 The SACC/APSACS received 68 Rapid test and 18 Elisa test kits from NACO during the period from 1996-97 to 2000-01. It was also noticed that out of 68, 53 test kits and all the 18 Elisa test kits were issued by the APSACS to different District Hospitals during the aforesaid period. Number of test kits issued to BB-Naharlagun and BB-Pasighat were 33 (Rapid-28 and Elisa-5) and 22 (Rapid-15 and Elisa-7) respectively. Against the undistributed 15 Rapid test kits which should have been available in the stock of APSACS, only 7 test kits were reflected in the stock book. The reason for non-accountal/shortage of remaining 8 test kits could not be explained by the APSACS. Further it was noticed from the stock register that 2 out of the 22 Rapid test kits received on 13-04-1998 had lost their shelf life on the date of receipt and thus 200 tests could not be conducted (each kit contains 100 test tubes).

Doubtful utilisation of consumables, reagents and chemicals for want of proper maintenance of records

3.1.64 As per norms fixed under modernisation of BBs by NACO, major BBs and District BBs were to be provided with consumable, reagents and chemicals etc. valued at Rs.2.00 lakh and Rs.1.25 lakh respectively each year.

3.1.65 As per information available on record (**Appendix-XXIV**) consumables etc. valued at Rs.8.80 lakh, out of Rs.16.40 lakh procured by APSACS during August 1999 to September 2000, were shown as issued to GH-Naharlagun (Rs.4.43 lakh), BB-Pasighat (Rs.4.22 lakh) and District Hospitals Tezu (Rs.0.15 lakh) and the balance material of Rs.7.60 lakh (Rs.16.40 lakh – Rs.8.80 lakh) were still lying with the Society (April 2001). A cross check of records of GH-Naharlagun and GH-Pasighat, however, revealed that materials valued at Rs.1.61 lakh (BB-Naharlagun – Rs.0.88 lakh and BB-Pasighat – Rs.0.73 lakh) only were received and utilised by them. On a query, Medical Officers in charge of these two hospitals had also confirmed the non-receipt of balance materials valued Rs.7.04 lakh (Rs.3.55 lakh + Rs.3.49 lakh). The position of consumables etc. in respect of DH-Tezu, however, could not be ascertained as the Society could not produce any receipt/issue voucher acknowledging the receipt of materials worth Rs.0.15 lakh. Thus, the utilisation of consumables, reagents and chemicals valued at Rs.7.19 lakh (Rs.7.04 lakh + Rs.0.15 lakh) remained doubtful. The matter was neither investigated by the Society nor any action taken.

STI/HIV/AIDS Sentinel Surveillance

3.1.66 Sentinel Surveillance was conducted in two surveillance centre established at General Hospital, Naharlagun and Pasighat during the period from August 1999 to October 1999 and from August 2000 to October 2000 by screening 482 Anti Natal cases (GH-Naharlagun-258 cases, GH-Pasighat-224 cases) and 524 STD clinics attenders (GH-Naharlagun-276 cases, GH-Pasighat-248 cases) and 1 case of HIV positive was detected but there was nothing on record to ascertain the fate of the case and the reason thereof had not been furnished. In the absence of any target, shortfall, if any, in sentinel surveillance could not be ascertained in audit. STI surveillance through specific survey and behaviour surveillance survey were not conducted during 1996-2001. AIDS case surveillance was done during the period January-October 2000 in the two GHs at Naharlagun and Pasighat but there was no report of any AIDS case or AIDS death during this period. The SACC however, had not initiated any action for collection of Syndromic based information from the peripheral health institutions for reasons not on record. There was, therefore, no co-ordination between the AIDS society and the District medical authority regarding collection of samples in respect of suspected AIDS cases from the CHC/PHC in the districts.

Three STD clinics remained non-functional for want of medicines

3.1.67 As per Annual Action Plan (AAP), for the year 1999-2000, 4 STD clinics at DH-Along, GH-Pasighat, DH-Tezu and DH-Khonsa were to be constructed and for this purpose Rs.2.00 lakh was provided to each DMO during March 2000. STD clinics at GH-Pasighat, Tezu and Along were completed between May 2000 and November 2000 at a cost of Rs.6.00 lakh but the same could not be made functional due to non-supply of medicines. The construction of the STD clinic at Khonsa is yet to be completed.

Fictitious payment due to non-receipt of STD medicines

3.1.68 Scrutiny of stock and issue register of medicines of the APSACS revealed that sexually transmitted diseases (STD) medicines (**Appendix-XXV**) valued at Rs.7.40 lakh were procured from a Guwahati based supplier during September 1999 and March 2000 and the entire quantity was shown as issued to two STD clinics at General Hospital-Naharlagun (Rs.3.76 lakh) and DH-Tawang (Rs.3.64 lakh). But in support of issue, no issue or receipt vouchers could be produced to Audit. On cross verification of records of STD clinics at GH-Naharlagun which was located in the same station and from the FAX message (April 2000) from DMO, Tawang it was confirmed that no STD medicines were received by these hospitals. The expenditure of Rs.7.40 lakh was thus fictitious.

3.1.69 It was stated by the Project Director, APSACS that medicines were procured at the approved rate of the state government during 1999-2000. On scrutiny of rates paid to the suppliers (M/s Top P'Cols-Guwahati) along with the rate fixed by the Government, it was noticed that in 8 cases, the rates paid were higher than the approved rates which resulted in an excess payment of Rs.0.97 lakh as shown in **Appendix-XXV**. No action has been initiated by the Society to recover the overpaid amount from the supplier.

Training

3.1.70 Five training courses on AIDS programme were held at Naharlagun during the period from February 2000 to July 2000 at a cost of Rs.1.77 lakh. In connection with procurement of training materials the following irregularities were noticed.

Irregular procurement of training materials and idle outlay of materials

3.1.71 On scrutiny of sanctions accorded by the PD/SAPO it was seen that training modules such as Books etc. valued at Rs.7.99 lakh were procured in February 2000 but payment was made by obtaining 4 separate bills of Rs.1,99,836 each from the supplier. Splitting up of orders was deliberately resorted by the PD/SAPO to avoid sanction from Chairman of EC, as the financial power of PD/SAPO in the matter of purchases was Rs.2 lakh at a time for number of works in the same time. The irregular procurement of training modules has not yet been regularised.

3.1.72 Besides, there was no urgency of training materials as the time schedule for training of Paramedical staff was neither fixed nor organised as of April 2001. Consequently these training modules were lying unused in stock. Thus the amount of Rs.7.99 lakh was unnecessarily blocked for a period of more than 14 months from February 2000 to April 2001.

Non-submission of utilisation certificate by the Non-Government Voluntary Organisation (NGO)

3.1.73 It was seen that grants amounting to Rs.10.83 lakh were paid to 6 NGOs (Dony Polo Mission, Naharlagun – Rs.4.98 lakh; Garo Welfare Association-Rs.4.90 lakh; Arunachal Medical Student Association-Rs.0.40 lakh; Gramin Bikash Kendra, Itanagar-Rs.0.15 lakh; Arunachal Pradesh Doctors Association, Naharlagun-Rs.0.10 lakh and Arunachal Medical Student Association, Naharlagun-Rs.0.30 lakh) by the then SACC during the period from 1996-97 to 1998-99 and by the society from 1999-2000 to 2000-2001. The necessary utilisation certificates for the amount had not yet been received from 6 NGOs. The Society had not initiated any action to get the UCs from the NGOs and the actual utilisation of the grant thus remained unassessed.

Other Topics

Doubtful Expenditure due to non-maintenance of proper records

3.1.74 Test-check of records (March-April 2001) of the APSACS, showed that under opportunistic infection, 19 items of medicines valued at Rs.5.13 lakh (as detailed in **Appendix-XXVI** were procured (March 2000) from a Guwahati based firm. As per entries in the stock book the entire procured quantities of medicines were shown as issued to the 5 DTOs (Along, Bomdila, Zero, Pasighat and Tezu) in March 2000 though there was no indent/demand from them. The details of receipt and issues appear in **Appendix-XXVI**. A cross verification of the stock book of 3 test checked DTOs (Along, Bomdila & Pasighat) and from information furnished from the other two DTOs, showed that no such medicines were received by them. Moreover, no record acknowledging receipt of the medicines by the concerned DTOs could be made available to audit by the Society. In the absence of any record in support of receipt of medicines by any of the DTOs, the genuineness of procurement and supply to DTOs of medicines worth Rs.5.13 lakh was doubtful.

Monitoring and Evaluation

3.1.75 Successful implementation of the programmes depend upon proper monitoring and inspection. No state level monitoring cell had been created either in the Directorate of Health Services or in the State Aids Control Society and no state level monitoring and supervision of the 4 programmes had ever been carried out. Similarly, at the district level no proper monitoring and supervision had been done. The function of the DHS and State AIDS Control Society remained limited to collection and compilation of reports and returns only, for onward submission to the GOI under the 4 programmes. Reports of AIDS cases prior to January 2000 and for the month from

November 2000 to March 2001 and sentinel surveillance reports for the period from December 2000 to March 2001 were not submitted to NACO (April 2001). The reasons for non-reporting of AIDS cases prior to January 2000 and delay in reporting for 6 months had not been stated by the Society. No evaluation of the programmes was conducted at any level to assess the overall impact on control of diseases.

3.1.76 The Programmes on NPCB and NTBCP failed to create any significant impact in the state due to numerous system deficiencies such as non-creation of adequate treatment facilities in all the districts, inadequate infrastructure facilities including technical man power, non-maintenance of data of blind people, non-creation of eye bank, incomplete treatment due to shortage of medicine and inadequate IEC activities etc.

3.1.77 The foregoing points were reported to the Government (July 2001); their reply has not been received (December 2001).

Recommendations

3.1.78 Unspent balance of funds under various programmes (RNTCP, NPCB and NACP) should be utilised immediately.

- State TB training and Demonstration Centre at Naharlagun and 4 DTCs under RNTCP may be made functional immediately.
- Eye Bank under NPCB may be established as early as possible.
- Each MLTU should perform the minimum days of field duty for 10 days in a month to reduce the case load to less than 1 per 10,000 population.
- The State Aids Control Society has to strengthen its monitoring and supervision activities by working in closer co-ordination with the district medical authorities.

SECTION – B - PARAGRAPHS

EDUCATION DEPARTMENT

3.2 Non-Formal Education (NFE)

3.2.1 The scheme of NFE, a cent percent centrally sponsored scheme, was devised in 1979-80, scaled up in 1987 and revised in 1993 with the aim to provide elementary education to the children who remained outside the formal system of education, comparable to the quality with the formal education and to bring them in the main stream of formal education. Its focus was on children in the 6-14 years age group engaged in domestic works. A NFE centre could be opened with 20-25 eligible participating children at a place and time convenient to children under the charge of locally selected instructors. The main objective of the scheme was (i) to develop the scheme of non-formal education for meeting the educational needs of out of school children (ii) to establish a partnership between the Government and voluntary agencies in the task (iii) to identify from the local community young persons and to train them as organisers of NFE centres etc.

3.2.2 Test-check (January-March 2001) of the records of the Deputy Director of School Education (DDSE) (State Research Centre), 3 DDSEs in the districts (Papumpare, Lower Subansiri and Upper Subansiri) and 8 centres* out of 69 disclosed the following :

Partial implementation/Discontinuance of the scheme

3.2.3 The scheme was implemented for just 10 months** (excluding vacation) during 1998-2000 in one project of 69 centres spread over 3 districts covering a population of 2.53 lakh (29.28 per cent of total population of the state of 8.64 lakh as per 1991 census) (Papumpare – 1.00 lakh, Lower Subansiri – 1.03 lakh, and Upper Subansiri – 0.50 lakh) out of 13 districts in the state. The scheme was sanctioned in 1995-96 by the Government of India (GOI) against the state proposal of one project of 100 NFE centres by the state and released Rs.7.84 lakh (August 1995) as first instalment of Rs.15.68 lakh (60 : 40 ratio basis) to run the centres for a period of 9 months (July 1995 to

* Lower Subansiri: 3, Upper Subansiri: 5

** (i) Papumpare District - December 1998 to September 1999

(ii) Upper Subansiri District – June 1999 to March 2000

(iii) Lower Subansiri District – December to March 1999 and October 1999 to March 2000.

March 1996). After due revalidation, the state government drew Rs.9.80 lakh (March 1998) including state share of Rs.1.96 lakh for use in the scheme. On the basis of 60 : 40 ratio, the 1st instalment of the state matching share (Rs.3.92 lakh) fell short by Rs.1.96 lakh (Rs.3.92 lakh – Rs.1.96 lakh). Thus, delay in release of funds by the state government resulted in non-implementation of the scheme during 1995-96 to 1997-98. During 1998-2000, the total expenditure incurred against the scheme was Rs.7.46 lakh and the balance of Rs.2.34 lakh was remitted to treasury by the Assistant Director of School Education, State Resources Centre, Naharlagun between April 1999 and April 2000 after retaining the amount in hand by the respective DDSE's and SIE Changlang for the period ranging from 1 to 2 years. The remaining population of 6.11 lakh (70.72 per cent) in 10 districts were not brought under the purview of the programmes for reasons not on record. There were no voluntary Agencies or Non-Government Organisations (NGO's) who participated in implementation of the scheme.

3.2.4 The State Authority did not request the Central Government for further releases and the scheme of NFE was discontinued by the State Education Department arbitrarily from April 2000 on the ground that the project was taken up on experimental basis and the Department was not satisfied with the success of the project. The authority under which the scheme was discontinued was not furnished to audit (March 2001).

Shortfall in opening of 31 centres in Upper Subansiri district and inflated report sent to GOI

3.2.5 The physical target and achievement of the scheme appear in the table below :

Table – 3.2

Name of Districts	No. of centres proposed for (Co-education)			No of Centres opened in 1998-99 (Co-education)			Actual enrolment as per field records			Figures reported to GOI		
	Primary	Upper Primary	Total	Primary	Upper Primary	Total	Primary	Upper Primary	Total	No. of Centres run	Enrolment	
											Boys	Girls
Papumpare	10	-	10	10	-	10	211	-	211	10	118	93
Lower Subansiri	27	13	40	27	13	40	341	204	545	40	410	313
Upper subansiri	40	10	50	15	4	19	127	22	149	50	991	789
Total	77	23	100	52	17	69	679	226	905	100	1519	1195

Source – From the Department.

3.2.6 It would be seen from table that there was shortfall in opening of 31 centres (Primary - 25; Upper Primary – 6) against the 100 targetted centres though the DDSE-SRC, Naharlagun reported (June 2000) cent percent

opening of centres to GOI. Besides, against actual enrolment of 905 (Boys 523, Girls 382) students averaging 13 children *per centre* against a norm of 20-25, the state reported the enrolment of students to Government of India as 2714 (Boys - 1519, Girls - 1195) students inflating the statistics by 1809 numbers (Boys 996, Girls 813). The reason for shortfall in opening of 31 centres in Upper Subansiri district and inflated report sent to the GOI by the DDSE-SRC, Naharlagun had not been furnished (March 2000). The Department, however, stated (March 2001) that because of scattered holdings in hilly areas of the state, the norm of 20-25 children could not be adhered to. This reply is not acceptable as no reasons could be offered as to why the statistics sent to GOI were doctored.

Non-adoption of condensed course in Non Formal Education Centers

3.2.7 As per strategy of the Scheme, the NFE primary level course (up to class V) was to be completed in two years and the upper primary level (class VI to VIII) course in three years by adopting a specially designed condensed syllabus. The study of 8 years duration (Class I to VIII) was to be completed in 5 years. In the state, no such separate condensed course was adopted on the plea of huge printing costs. The Education Department instead, adopted the syllabus meant for general learners of class I to VIII, which frustrated the basic objective of the scheme.

Testing and certification of NFE students for their entry into formal system of education.

3.2.8 NFE Scheme envisaged strategy of testing and certification of NFE students to enable their entry into the formal system of education. Test check of records disclosed that a total of 905 learners (primary – boys 402, girls 277; upper primary – boys 121, girls 105) enrolled in the 69 NFE centres (primary 52 centres, upper primary 17 centres) of which 378 students (41.77 *per cent*) appeared and qualified for the upper primary level (boys – 165 and girls – 97) and main stream of formal education (boys – 60 and girls – 56). Reasons for 527 learners (58.23 *per cent*) not appearing in the examination was neither stated nor on record. The details appear in **Appendix – XXVII**. It would be seen that out of 378 successful students, 262 students of Primary level qualified for coming over to the next stage and 116 students of upper Primary level qualified for coming up to mainstream of formal education but how many of them had continued their study in formal system of education could not be verified by audit due to non-maintenance of records.

3.2.9 The objective of NFE of providing elementary education to 905 children at a cost of Rs.7.46 lakh and to bring them in the mainstream of formal education was thus not achieved in respect of all the 3 districts test checked.

3.2.10 It was also noticed that the NFE courses were completed in 10 months in place of the prescribed 5 years (2 years for primary level and 3 years for upper primary level) and the Department stated that the students of NFE

centres were mainly school dropout children who had already completed a few years of formal education and the NFE centres helped them in their weak areas so as to bring them back to the formal system of education. Thus, the children who had undergone formal education for certain period were selected and given Non-formal education for the short period of 10 months (the period falling short for formal education). This was totally contrary to the objectives of the programme. Again, the reply also remained silent as to whether the matter was taken up with the Government of India for relaxation of the norms for dropout school children and whether its approval had been obtained.

Payment of honorarium to instructors at higher rate

3.2.11 As per NFE Scheme, one instructor for each primary and upper primary centre is entitled to honorarium of Rs.200/- and Rs.250/- per month respectively. Records (paid vouchers and expenditure statements) revealed that honorarium was paid to instructors at Rs.250/- each per month for Primary centre and Rs.350/- each per month for Upper primary centre resulting in an extra expenditure of Rs.0.62 lakh. The details of extra expenditure are indicated in **Appendix – XXVIII**.

Excess procurement of equipment/teaching and learning materials.

3.2.12 As per funding pattern, the GOI releases grant of Rs.750/- for equipment (box, petromax, black board etc.) and Rs.850/- for teaching/learning material (maps, charts, books, and game materials etc.) for each primary level centre. Similarly, grant is also released for each upper primary centre at the rate of Rs.1,050/- and Rs.850/- for equipment and teaching and learning materials respectively. For running 69 centres, the department incurred a total expenditure of Rs.3.08** lakh on equipment and teaching and learning materials which resulted in an extra expenditure of Rs.1.92 lakh* over the laid down norms.

Delay in implementation and discontinuance of scheme resulted in non availing of central assistance of Rs.71.05 lakh by the state.

3.2.13 As per the pattern of financial assistance formulated by the Government of India for running 1 project of 100 centres (primary 77 and upper primary 23) the state government was entitled to grants-in-aid of Rs.14.21 lakh for every subsequent year of implementation of the scheme as detailed in **Appendix - XXIX**.

3.2.14 The financial assistance to the state was given to implement the programme during 1995-96 but the delayed implementation of scheme during 1998-99 and 1999-2000 and its discontinuance since April 2000 on the plea

** (Papumpare Rs.0.27 lakh, Lower Subansiri, Rs.1.35 lakh and Upper Subansiri Rs.1.46 lakh)
* (Rs.3.08 lakh – Rs.1.16 lakh (52 Primary Centres – Rs.0.83 lakh + 17 Upper Primary Centres – Rs.0.33 lakh)

that the desired result was not satisfactory was most unfortunate as the scheme is in operation throughout the country. Had the scheme been implemented during 1995-96 and were in operation till this date, the state would have been entitled to a central assistance of Rs.71.05 lakh at the rate of Rs.14.21 lakh for every year since 1996-97 to 2000-2001 which resulted in non-availment of the opportunity of non-formal education to out of school children.

Excess Engagement of Instructors

3.2.15 In Upper Subansiri district 15 primary and 4 Upper Primary Centres were opened in June 1999 for imparting NF Education. But it was seen that during the period from June 1999 to March 2000, 16 instructors were engaged for 8 months and 45 for 2 months in primary centres and 9 instructors for 8 months, 12 for 2 months in upper primary centres against requirement of 15 (15X1) and 8 (4X2) instructors respectively, for 10 months. Thus, there was excess engagement of 1 (16-15) instructor for 8 months and 30 (45-15) for 2 months in primary centres and 1 (9-8) instructor for 8 months and 4 (12-8) for 2 months in upper primary centres, which resulted in extra expenditure of Rs.0.23* lakh. The reason for excess entertainment of Instructors had not been furnished.

3.2.16 The matter was reported to the Government and Department (September 2001); their replies have not been received (December 2001).

ENVIRONMENT AND FOREST DEPARTMENT

3.3 The Arunachal Pradesh State Pollution Control Board (APSPCB)

3.3.1 For prevention, control and abatement of air pollution, Government of India (GOI) enacted the Air (Prevention and Control of Pollution) Act, 1981. The Environment (Protection) Act, an umbrella Act which was also more comprehensive and covering the specific and general provisions relating to pollution of the environment including the management of hazardous, biomedical and solid waste, was enacted by Parliament in May 1986. The Bio-Medical Waste (Management and Handling) (BMWMH) Rules were drawn up by the GOI and came into effect from July 1998. The Acts and Rules are applicable throughout the country.

* 1X8mXR.250 = Rs.2000, 30X2mXR.250 = Rs.15000,
1X8mXR.350 = Rs.2800 and 4X2mXR.350 = Rs.2800

3.3.2 The Arunachal Pradesh State Pollution Control Board (APSPCB) first constituted in July 1993 was reconstituted in March 2000. The APSPCB headed by a part time Chairman who is also the Principal Secretary (Environment & Forests) to the Government of Arunachal Pradesh has 13 official and non-official members representing the Government, local bodies, statutory bodies, companies etc. and a part time Member Secretary who is a Deputy Conservator of Forests. The main functions and activities of the APSPCB are:

- (i) to plan a comprehensive programme for the prevention, control or abatement of air pollution and to secure the execution thereof ;
- (ii) to advise the state government on any matter concerning the prevention, control or abatement of air pollution;
- (iii) to collect and disseminate information relating to air pollution;
- (iv) to inspect air pollution control areas at such intervals to assess the quality of air therein and take steps for the prevention, control or abatement of air pollution in such areas;
- (v) to identify sources of waste generation (hazardous, bio-medical and municipal solid wastes), to notify for proper control and vigilance and to ensure the disposal site of waste had been notified by the state government.

3.3.3 The state government in December 2000 declared the whole of the state of Arunachal Pradesh as an “air Pollution Control Area” but as required under the BMWMH Rules, the prescribed authority who was to be appointed by August 1998, had not been appointed as on date (November 2001).

3.3.4 The source of fund of the APSPCB consists of grants-in-aid from the Central and the State government. A cent *per cent* check of the Receipts and Expenditure of the APSPCB for the period 1991-92 to 2000-2001 was conducted in audit in May 2001 and the following were disclosed :

Non utilisation of central assistance

3.3.5 Of the APSPCB’s total receipts of Rs.16.45 lakh during the period from 1991-92 to 2000-2001 {Rs.14.24 lakh from the Central Pollution Control Board (CPCB), New Delhi, Rs.1.99 lakh from consent fees and Rs.0.22 lakh from other receipts}, it has incurred an expenditure of only Rs.1.95 lakh during 1996-97 to 2000-2001 leaving an unutilised balance of Rs.14.50 lakh locked up (Rs.12.64 lakh in bank and Rs.1.86 lakh in equipment and materials procured but not put to use).

Air quality monitoring stations not set up

3.3.6 Before APSPCB was constituted, the CPCB had sanctioned and released (December 1991), Rs.1.99 lakh to the APSPCB towards establishment of two air quality monitoring stations at Itanagar (Rs.1.62 lakh) along with three months advance operation and maintenance costs of two centres (Rs.0.37 lakh). Out of Rs.1.99 lakh, the APSPCB had spent Rs.0.87

lakh during April to August 1996 for procurement of certain instruments and equipment but the remaining amount of Rs.1.12 lakh was retained in a current bank account operated since May 1992 with State Bank of India, Itanagar.

3.3.7 The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh stated (November 2001) that the equipment purchased could not be set up due to non-selection of site and non-appointment of any technical personnel. The reply however, was silent on the irregular procurement of instruments without selection of site and non-recruitment of technical staff. The equipment purchased were lying un-utilised till date (November 2001).

Pollution awareness and assistance centres were not set up

3.3.8 Out of Rs.1.00 lakh received by the APSPCB in February 1996 and July 1999 for setting up of pollution awareness and assistance centres, Rs.0.99 lakh was spent on purchase of furniture and a computer though the sanction prohibited these purchases. Further though these items were purchased the centres were not set up nor awareness on the effects of pollution disseminated to the population in the state.

Non-preparation of Annual Accounts and Annual Reports

3.3.9 The APSPCB is required to prepare Annual Accounts and the same are to be audited by a qualified auditor on the advice of the Comptroller and Auditor General of India. The APSPCB had, however, not prepared its Annual Accounts since its creation in 1993-94.

3.3.10 The APSPCB is further required to prepare an Annual Report giving a true and full account of its activities during the previous financial year and submit this report to the state government by 15 May each year. This Report is also to be laid in the State Legislature within 9 months from the last date of the previous financial year. The APSPCB has not prepared any Annual Report since 1993-94 and its activities has not been assessed since its creation by the State Legislature. The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh in his reply (November 2001) stated that due to non-creation and filling up of post for the Board, the annual Account and Reports could not be prepared. He however, stated that the observation of audit is noted for compliance.

Non-creation of assets despite availability of central assistance

3.3.11 Since inception, the APSPCB has been functioning from the Office of the Principal Chief Conservator of Forests (PCCF) with the help of his staff.

3.3.12 The APSPCB in April 2000 received Rs.8 lakh from GOI for construction of office building, C grade Laboratory and residential buildings but the amount remained un-utilised as of May 2001 due to non- allotment of land by the DC Papumpare. The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh in his reply (November 2001) stated that the C grade laboratory could not be set up as posts for running the laboratory had not been created. The fact remains that

besides this no action had been taken to procure the land for instituting the laboratory nor for procurement of the equipment for the same.

3.3.13 The APSPCB had not taken any action despite its existence for over eight years to ensure compliance with any of the Acts or Rules. This is also supported by the fact that against twenty mandatory meetings due to be held by the APSPCB during 1996-97 to 2000-2001 only four were held and with thin attendance. Pollution was not a priority item for APSPCB. The APSPCB did not discharge its specified activities and functions. The APSPCB exists, but only in name. The Chairman APSPCB and Principal Secretary (Environment and Forest) to the Government of Arunachal Pradesh in his reply (November 2001) stated that due to absence of any significant industrial activity in the state the problem of pollution is insignificant. He however, stated that the state government is also taking action to gradually build up the required scientific capability of the Board to enable it to discharge its duties effectively in time to come.

3.3.14 The matter was referred to the Government/APSPCB in August 2001 and reply was received (November 2001) which has been incorporated.

SOCIAL WELFARE DEPARTMENT

3.4 Arunachal Pradesh State Social Welfare Board (APSSWB)

3.4.1 The Arunachal Pradesh State Social Welfare Board (State Board) constituted in 1963 as per Article of Association of the Central Social Welfare Board (Central Board) was registered in November 1998. The State Board is headed by a chairperson and is aided by a Secretary, 17 other members representing the state government, Central Board and Non-Government institutions, along with some regular staff. The main function and activities of the Board are to promote the growth of voluntary social welfare agencies and to administer social welfare programmes sponsored by the Central Board for the welfare of needy women and children. The expenditure towards welfare programmes are entirely met by the Central Board while the cost of establishment of the State Board and 10 Programme Implementation Committees (PICs) is shared by the Central Board and the state government in the ratio of 50 : 50 and 2 : 1 respectively. Funds are provided by the Central Board in the form of grants-in-aid.

3.4.2 A check (June 2001) of the State Board and a few voluntary organisations (VOs) disclosed the following :-

Temporary diversion from 3 programme funds for meeting establishment cost

3.4.3 Diversion of any part of plan fund for meeting Non-Plan expenditure is not permissible as per terms and conditions of the sanctions of the Central Board.

3.4.4 However, during 1993-94 to 2000-01, the State Board on twenty occasions had unauthorisedly diverted Rs.16.97 lakh out of grants provided by Central Board for implementation of three programmes to meet the payment of salary of staff, honorarium and other allowances/claim of Chairperson and office expenditure. The diverted amounts were refunded after 2 to 11 months from the date of drawal of funds.

3.4.5 The unauthorised diversion of funds by the State Board led to non-implementation of 3 programmes for a period ranging from 2 to 11 months and thereby deprived the beneficiaries of the immediate benefits of the programme. The reason for diversion was attributed to untimely release of establishment fund by the Central and State Governments.

3.4.6 The Chairperson of the Board stated (December 2001) that part of plan fund was diverted to Non-Plan under unavoidable circumstances for making payment of pay and allowances of staff and office expenses etc. The main reason for diversion was attributed to untimely release of establishment fund by CSWB and state government. The diversion of funds were made without the approval of the Central Board.

Loss of Rs.3.71 lakh due to non-utilisation of Grants under 6 programmes by the VO's because of being black listed.

3.4.7 Scrutiny in audit and information furnished by the State Board revealed that during 1994-95 to 1995-96, Rs.2.46 lakh was released as grants-in-aid to 6 VO's for implementation of 4 programmes but the VO's could not furnish utilisation certificates, expenditure statements or any other proof of utilisation of funds till March 2001. Instead of initiating recoveries of the amount the State Board blacklisted these 6 VO's. It was also noticed that the Board disbursed further grants to the tune of Rs.1.25 lakh under 3 programmes (Socio Economic Programme (SEP) – Rs.0.82 lakh, Grants-in-Aid (GiA) – Rs.0.35 lakh and VTC – Rs.0.08 lakh) to 3 of these blacklisted VO's during the period from 1995-96 to 1997-98 without any recorded reasons. Thus action of the Board was therefore highly irregular.

3.4.8 The recovery of Rs.3.71 lakh (Rs.2.46 lakh + Rs.1.25 lakh) from these defaulted VO's appears remote because of their being black listed.

3.4.9 The Chairperson of the Board stated (December 2001) that out of Rs.3.71 lakh, the recovery/utilisation certificates for Rs.2.26 lakh have been recovered/received and for the balance amount of Rs.1.45 lakh, utilisation certificates of grants has not yet been received from these institutions. The

reply was silent on how the Board accorded further grants of Rs.1.25 lakh to the 3 defaulting institutions during 1995-98 without receipt of utilisation certificate of grants for Rs.0.93 lakh already granted to them during 1994-96 (M/s Maga Welfare Organisation – Rs.0.53 lakh, AP State Council for Child/Welfare – Rs.0.20 lakh and M/s Hutto Welfare Society – Rs.0.20 lakh) and inspite of their being black listed. Of these, M/s Maga Welfare Organisation has not yet refunded Rs.16,200 (loan amount under SEP 1994-95) and the other two organisations had submitted utilisation certificates of grants amounting to Rs.20,000 each under AGP only on 12.08.98 and 04.01.2000 respectively.

The Board released Rs.33.84 lakhs to the programme implementing institutions under 7 programmes after delay of 1 to 6 years.

3.4.10 It was seen that the funds provided to the State Board for implementation of 7 programmes were not released in time to the implementing institutions. The State Board during the period from 1991-92 to 1998-99 received Rs.33.84 lakh for implementation of 7 programmes from the Central Board but the amount were released to the implementing institutions after a delay of 1 to 6 years (Details in **Appendix – XXX**).

3.4.11 This has affected the implementation of the schemes and the inordinate delay in release of funds to the implementing institutions resulted in non timely implementation of the schemes. The justification for these inordinate delays were neither on record nor stated (June 2001).

3.4.12 The Chairperson of the Board stated (December 2001) that the reasons for delay in release of fund was due to lack of sufficient staff, late receipt of fund from the Central Board and delayed receipt of documents from the Institutions.

No amount was spent for providing services to the children of migratory labourers under creche programme despite expenditure of Rs.36.25 lakh

3.4.13 To provide health care, immunisation, supplementary nutrition etc. to the children of 0-5 age group of working and ailing mothers who belong to the migrant labour community engaged in construction work, the Central Board extends grant of 90 *per cent* to a crèche with the remaining 10 *per cent* to be borne by the VOs.

3.4.14 The State Board is required to conduct a survey to assess the requirement of creche and to ensure that the area covered by the scheme have no Anganwadi centres providing similar services under ICDS. Of the amount of Rs.36.25 lakh expended during 1993-94 to 2000-01 by the 10 PICs (Rs.15.99 lakh) and 15 VOs (Rs.20.26 lakh) on 46 creches, no amount was spent for providing services to the children of migratory labourers for which the scheme was basically formulated. Besides, none of the 15 VOs contributed 10 *per cent* matching grants as required under the scheme. The objectives of the scheme were thus not achieved.

3.4.15 In reply, the Chairperson of the Board confirmed (December 2001) that no amount was spent for providing services to children of migratory labourers and that the beneficiaries of the creche programme implemented by PIC/VO's may be much more deserving beneficiaries. The Chairperson also stated in reply that the VOs did not contribute the 10 *per cent* as they were not financially sound. The programme was thus not implemented as per guideline laid down.

Implementation of the programme “Vocational Training course for Adult Women” at a cost of Rs.15.34 lakh remained unassessed due to non-maintenance of records

3.4.16 The scheme aims at providing opportunities to needy and deserving women in the age group of 18-30 years to undergo intensive training in selected vocations to enable them to find suitable employment in the open market or be self employed in any trade. The selection for the vocational training (syllabus) is required to be done by the State Board in consultation with the Regional Employment Directorate, other departments and voluntary organisations keeping in view the employment potential in the state. For this purpose, a complete record of the successful candidates and their placement in appropriate jobs was to be maintained in an INDEX CARD.

3.4.17 As per records of the Board, vocational training to 925 women was imparted by 16 VOs and 6 PICs during 1993-94 to 2000-01 by spending Rs.15.34 lakh. The Board and the grantee institutions had not maintained any INDEX CARD or record of 925 trainees.

3.4.18 The Board thus had no information to watch regarding the employment of these 925 candidates. Non-maintenance of records of implementation of the programme at a cost of Rs.15.34 lakh could not be vouched safe and impact of the programme could therefore not be assessed by Audit.

3.4.19 The Chairperson of the Board stated (December 2001) that index cards of the successful candidates could not be maintained due to lack of staff. The Institute would be asked to maintain the records regarding employment of the trained candidates.

Idle investment of Rs.18.47 lakh on pay and allowances of 8 idle drivers without any work

3.4.20 Scrutiny in Audit revealed that 8 out of 14 vehicles provided to the State Board by the Central Board between 1964 and 1990 went out of order and remained off road from December 1980 to January 2000. The Board had not taken any action for repair of these vehicles or for their disposal by Public auction. The 8 drivers attached to these vehicles remained idle and the pay and

allowances of Rs.18.47 lakh paid to them for the period from 1 January 1991 to 31 March 2000 was an idle investment.

3.4.21 The Chairperson of the Board stated (December 2001) that the vehicles could not be repaired as the PIC budget for repair/POL etc. of the vehicle was only Rs.6000 per year and the services of the drivers could not be utilised as the Central Board had not provided any new vehicles to the PIC. The Chairperson also stated that though a directive of the GOI of 01.04.1999 required that all vacant posts in ICDS were to be filled up from the employees of the PIC/BAP, the Directorate of Social Welfare and the Women and Child Development Welfare Board had failed to take over these idle drivers.

Utilisation certificate for Rs.70.90 lakh were outstanding.

3.4.22 As per guidelines, every grantee is required to furnish utilisation certificate for the grants received from the granter within 6 months of the close of the financial year in which the grants are given.

3.4.23 Scrutiny of records in audit revealed that the State Board did not take steps to obtain utilisation certificates for Rs.70.90 lakh released as grants during 1993-94 to 2000-01 from 186 organisations/institutions.

3.4.24 The Chairperson of the Board stated (December 2001) that all efforts would be made to obtain the utilisation certificates from the defaulting institutions. Further, development is awaited (December 2001).

3.4.25 The matter was reported to the Government in November 2001, reply had not been received (December 2001).

3.5 Avoidable extra expenditure

The Social Welfare Department incurred an avoidable extra expenditure of Rs.19.47 lakh, due to procurement of food stuffs at higher rate, besides making irregular procurement of food stuff at a cost of Rs.12 lakh. Fund of Rs.53 lakh was also drawn far in advance of requirement

3.5.1 The Government of Arunachal Pradesh sanctioned for procurement of 5 items of food stuff at a cost of Rs.53 lakh for the year 1996-97 for free distribution through Anganwadi Centres under the Special Nutrition Programme (SNP) of ICDS projects. The Director, Social Welfare (DSW), Naharlagun in March 1997 drew the amount in Abstract Contingent (AC) bills and procured 4 items of food stuffs between November 1997 and December 1997 at a cost of Rs.52,99,771 (Dry Khejur – Rs.16,99,972; Tilwa – Rs.11,99,912; Dalia – Rs.11,99,987 and Nutritious biscuits – Rs.11,99,900) from local firms through limited tender (September 1997). The balance of Rs.229.00 was deposited into the treasury in June 1998. The detailed

countersigned Contingent (DCC) bills for the same was submitted on 07.12.1998.

3.5.2 Test check of records (December 2000) of the Directorate revealed the following irregularities.

3.5.3 The procurement of foodstuffs was made on the basis of the rates recommended by the Board (constituted in September 1997) to Government which were accepted by the Minister of Social Welfare, Women and Child Development (MSWWCD).

3.5.4 The Directorate during the period from November 1997 to December 1997 procured 2 items of food stuffs, i.e., 15777 Kgs of Dry Khejur @ Rs.107.75 per Kg and 24742 Kgs of Dalia @ Rs.48.50 per Kg involving an amount of Rs.29 lakh. The Chief Minister of Arunachal Pradesh in July 1998 enquired about the high rate for procurement of 24742 Kgs of Dalia at Rs.48.50 per Kg. Accordingly, the MSWWCD verified (July 1998) the market rate of Dalia from 3 firms in Tezpur and found that the same was not more than Rs.13 per Kg. Thus, the rate of Dalia @ Rs.48.50 per Kg as recommended by the Board and accepted by the MSWWCD was not a realistic one and no safeguards were taken by conduct of surveys of local markets to protect the interests of Government. Similarly, Audit verification (December 2000) from a Naharlagun based firm revealed that the prevailing market rate of Dry Khejur was not more than Rs.40 per Kg.

3.5.5 Thus, the procurement of foodstuff at higher rate by issue of tender notice to limited number of local suppliers resulted in extra expenditure of Rs.19.47 lakh* computed with reference to the rates in force during the period. Further, the item of foodstuff “Nutritious Biscuits” was procured (Rs.12 lakh) irregularly from local firms without issuing any Notice Inviting Tender (NIT) and the fund (Rs.15 lakh) earmarked for Horlicks (not procured) was utilised for procurement of 4 other items of foodstuffs in contravention of the sanction accorded by the Government.

3.5.6 It was also noticed that though the amount of Rs.53 lakh was drawn in AC bills in March 1997 for procurement of foodstuffs, the NIT for the same was issued in September 1997 and procurement of foodstuffs were made during the period from November 1997 to December 1997. Hence, the amount was drawn far in advance of requirement in order to avoid lapse of

*

Name of the Item	Quantity procured (KG)	Rate at which procured (Rs./KG)	Amount involved (Rupees in lakh)	Actual market rate (Rs./KG)	Cost of procurement at market rate (Rupees in lakh)	Extra expenditure (Rupees in lakh)
Dry Khejur	15777	107.75	17.00	40.00	6.31	10.69
Dalia	24742	48.50	12.00	13.00	3.22	8.78
			29.00		9.53	19.47

budget grant for the year 1996-97. The drawal of fund in AC Bills was also irregular as the DCC bills were submitted after 19 months from the date of drawal of AC bills which were not covered by the rules. The reason for delay in submission of DCC bills was neither available on records nor stated (December 2000).

3.5.7 In reply, the Secretary, Social Welfare stated (August 2001) that in the capital complex, there is no retail or whole seller of these items. On receipt of complaint of higher rates, the case was thoroughly examined by the Government and thereafter the DCC bills were countersigned. However, in future, publication in leading newspaper would be ensured first before rates are accepted.

3.5.8 The fact, however, remains that the procurement of food stuffs were made at higher rates without ascertaining rates from adjoining areas and the item of foodstuffs, i.e. Nutritious Biscuits was procured from the local market irregularly without issuing any NIT. Further, the amount of Rs.53 lakh was drawn far in advance of requirement and the drawal of fund in AC bills was also irregular.

HORTICULTURE DEPARTMENT

3.6 Blocking up of fund

The Director of Horticulture Department unnecessarily drew fund of Rs.1.20 crore in advance of requirement which resulted in blocking up of Plan funds of Rs.1.20 crore for more than 33 months

3.6.1 M/s NADEREX of Holland submitted the proposal (May 1997) for establishment of a citrus nursery on 10 hectares of land and demonstration orchard on one hectare land at Yingkiong. The Government of Arunachal Pradesh Planning and Development Department in December 1997 accorded expenditure sanction of Rs.1.20 crore. The project was awarded to the said firm on a turnkey basis.

3.6.2 Since the Project was to be undertaken by a foreign firm the clearance of the Government of India and the RBI was required to be obtained. Even before obtaining clearances, the state government entered into an agreement with M/s NADEREX on the 19th January 1998. The Ministry of Agriculture, Government of India refused permission (July 1998) to enter into a contract with M/s NADEREX. The state government terminated the agreement with M/s NADEREX on the 23rd July 1999.

3.6.3 The Deputy Director of the Horticulture Department drew the amount of Rs.1.20 crore through an A.C. Bill in February 1998. The amount was then

converted into a banker's cheque in March 1998 and remained as such till November 2000. The Horticulture Department referred the matter to the Finance Department who opined (December 1999) that the amount drawn through an A.C. Bill should be immediately deposited into Government Account. Instead of depositing the amount the matter was referred to the Chief Minister, who decided in May 2000 to spent this amount for setting up two citrus nursery cum Progeny gardens at Roing and Khazalong at a cost of Rs.63.42 lakh and Rs.56.57 lakh respectively and accordingly sanction for those two gardens was accorded by the Government in August 2000.

3.6.4 Thus, the amount of Rs.1.20 crore remained out of Government account for more than 33 months which resulted locking up of Government fund of Rs. 1.20 crore besides loss of interest of Rs.29.70 lakh calculated at minimum RBI rate of 9 *per cent* per annum.

3.6.5 In reply, the Director of Horticulture Department stated (August 2001) that the Department was unaware about the procedure for obtaining permission from Government of India while entering into the agreement with M/s NADEREX, Holland. The Department tried its level best to deposit the unspent amount in Government account but the Government was in favour of utilising the amount for establishment of citrus nursery at Bomdila, Roing. This reply was not tenable on the ground that after retention of the Government money out of Government account for more than 33 months, the action of the Government to decide to set up 2 new nurseries cum Progeny gardens with funds drawn initially for the purpose of setting up a citrus nursery and demonstration orchard at Yingkiang was not in order and constituted diversion of funds.

3.6.6 The matter was reported to the Government in February 2001; reply has not been received (December 2001)

RURAL DEVELOPMENT DEPARTMENT

3.7 Administrative expenditure in excess of prescribed limit under IRDP

Failure to restrict administrative expenses by the DRDA, Ziro within the prescribed ceiling resulted in inadmissible expenditure of Rs.56.61 lakh and retarded the development activity to that extent due to excessive administrative expenditure

3.7.1 As per Para 6.9 of the Integrated Rural Development Programme (IRDP) Manual, the ceiling on administrative expenses under the IRDP is 10 *per cent* (for DRDA's having 8 or more blocks) of the fund allocation during a year.

3.7.2 Test check (August 2000) of records of the District Rural Development Agency (DRDA), Ziro revealed that the agency spent Rs.81.47 lakh towards administrative expenses during 1996-97 (Rs.23.68 lakh), 1997-98 (Rs.33.54 lakh) and 1998-99 (Rs.24.25 lakh) against the admissible amount of Rs.24.86 lakh out of the total IRDP fund of Rs.248.61 lakh (1996-97 : Rs.71.20 lakh; 1997-98 : Rs.109.86 lakh; 1998-99 : Rs.67.55 lakh) received during these years, thereby exceeding the prescribed ceiling limit by Rs.56.61 lakh (Rs.81.47 lakh – Rs.24.86 lakh) as shown in **Appendix-XXXI**. The administrative expenditure incurred during 1996-99 thus ranged from 31 to 36 per cent of total allocation of IRDP fund instead of 10 per cent. Thereby adversely affecting development activity under IRDP. The DRDA did not give reasons for the deviation from the IRDP guidelines (February 2001).

3.7.3 The matter was reported to the Government/Department in November 2001; reply has not been received (December 2001).

3.8 Locking up/diversion of fund on construction of staff quarters in the permanent complex of women and child development training centre at Itanagar

The Rural Development Department unnecessarily drew Rs.14 lakh for construction of staff quarters in the permanent complex at Itanagar under ICDS programme and the amount was blocked for 9 to 10 years owing to non-construction of the same. Further, the fund was unauthorisedly diverted for construction of another project without the approval from GOI

3.8.1 General Financial Rules provide that unless otherwise ordered by the Government, every grant made for a specific object should be spent within a reasonable time and if the grantee institution after receipt of grant is not in a position to spend the grant, the entire grant should be refunded forthwith to Government.

3.8.2 Test-check (August 2000) of records of the District Rural Development Agency (DRDA), Ziro revealed that the Government of Arunachal Pradesh, Rural Development Department, without obtaining allotment of land from the Government, sanctioned Rs.14.00 lakh (March 1991: Rs.8.00 lakh and March 1992: Rs.6.00 lakh) for construction of staff quarters in the permanent complex of Women and Child Development Training Centre at Itanagar under the ICDS Programme. Accordingly, the two bank drafts of Rs.8.00 lakh (April 1991) and Rs.6.00 lakh (April 1992) received by the DRDA, Ziro from the Director of Rural Development for this purpose were deposited (April 1991 and April 1992) in the State Bank of India, Ziro in a savings bank account as envisaged in the sanction. Till 31 March 2000 this original amount was not utilised and had appreciated to

Rs.19.81 lakh (including interest of Rs.5.81 lakh). The non-allotment of land by the Government for the construction was stated as the reason for non utilisation of the grant but no reasons to support this contention could be produced to audit. The Agency retained the grant amount for a period varying from 9 to 10 years and should have refunded it to Government. The unauthorised retention of the grant led to blocking up of Government funds. Further, the impact on training i.e. whether the training under ICDS programme remained suspended due to non-utilisation of the fund for 9 to 10 years had not been furnished (May 2001).

3.8.3 The Government accorded sanction for Rs.14.00 lakh for construction of the office building for project Director, Ziro in May 2000. The Government decided (July 2000) to utilise the said amount for construction of a building for DRDA, Ziro. Hence, ICDS fund was unauthorisedly diverted without approval of the Government of India. Further development regarding the construction of the DRDA office building at Ziro and reasons for delay in taking the Government decision for utilisation of the grants could not be furnished to Audit (March 2001).

3.8.4 Thus, the premature sanction and drawal of the fund in advance of requirement for construction of the staff quarters in the permanent complex resulted in blocking up of Rs.14.00 lakh for a period of about 9 to 10 years which defeated the very purpose for which the grants were sanctioned.

3.8.5 In reply, the Secretary (RD&PR) stated (June 2001) that since the funds were drawn from State Plan Housing budget, the question of approval from the Government of India for diversion of the funds did not arise. The reply is not tenable on the ground that the funds were drawn for construction of staff quarters in the permanent complex of Women and Child Development Training Centre at Itanagar under ICDS programme which were unauthorisedly diverted for construction of an office building for DRDA, Ziro without the approval from the Government of India.

3.8.6 The matter was reported to the Government (November 2000); reply has not been received (December 2001).

3.9 Extra Expenditure

DRDA, Tezu incurred extra expenditure of Rs.7.00 lakh due to procurement of CGI sheet at higher rate

3.9.1 The Government of Arunachal Pradesh approved (February 1999) separate rates for local procurement of Corrugated Galvanised Iron (CGI) sheets of 0.63 mm thickness by different District Rural Development Agencies (DRDAs). The rates for DRDA, Tezu was approved by the Government of Arunachal Pradesh Rural Development Department at Rs.34,560 per MT which was inclusive of all charges, i.e. labour, packing, transportation etc.

3.9.2 Test check (December 2000) of records of the Project Director (PD), District Rural Development Agency (DRDA), Tezu revealed that for implementation of the Indira Awaas Yojana (IAY) Scheme, the Agency procured 52.16 MT CGI sheets @ Rs.39,400 per MT and 54.248 MT CGI sheets @ Rs.42,800 during March 1999 to March 2000 as against the approved rate of Rs.34,560 per MT. This resulted in avoidable extra expenditure of Rs.6.99 lakh. In reply, Agency stated that no supplier was willing to supply at the Government approved rate. The reply of the Agency is also not acceptable as the Government had fixed different rates for different DRDAs after considering all aspects including local conditions.

3.9.3 Thus, due to purchase of 52.16 MT and 54.248 MT of CGI sheets @ Rs.39,400 and @ Rs.42,800 per MT respectively against the approved rate of Rs.34,560 per MT as fixed by the Government of Arunachal Pradesh, the DRDA, Tezu incurred an extra expenditure of Rs.6.99 lakh* say Rs. 7 lakh.

3.9.4 The matter was reported to the Government/Department in January 2000; reply has not been received (December 2001).

**FISHERIES, SOCIAL WELFARE AND SECRETARIAT
ADMINISTRATION DEPARTMENTS**

**3.10 Failure of senior officials to enforce accountability and
protect the interests of Government**

205 paragraphs pertaining to 78 Inspection Reports involving Rs.58.74 crore concerning Fisheries, Social Welfare and Secretariat Administration Departments were outstanding as on June 2001. Of these first replies for 2 Inspection Reports containing 6 paragraphs had not been received

3.10.1 Accountant General (Audit) conducts periodical inspection of the Government departments to test check the transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with Inspection Reports (IRs). When important irregularities etc. detected during inspection, are not settled on the spot, these are included in the IRs and the IRs are issued to the Heads of offices inspected with a copy to the next higher authorities. Rules/orders of Government provide for prompt response by the executive to the IRs issued by the AG to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, etc. noticed during the inspection. The Heads of offices and next higher

* 52.16 MT x Rs.4840 (Rs.39400 – Rs.34560) = Rs.2.52 lakh
54.248 MT x Rs.8240 (Rs.42800 – Rs.34560) = Rs.4.47 lakh
Total = Rs.6.99 lakh

authorities are required to attend to the observations contained in the IRs and rectify the defects and omissions promptly and report compliance to the AG. Serious irregularities are also brought to the notice of the Head of the Department by the office of the Accountant General (Audit). A half-yearly report of pending inspection reports is sent to the Secretary of the Department (in respect of pending IRs) to facilitate monitoring of the audit observations in the pending IRs.

3.10.2 Inspection Reports issued from 1986 upto March 2001 pertaining to 31 offices of 3 departments disclosed that 205 paragraphs relating to 78 IRs involving an amount of Rs.58.74 crore remained outstanding at the end of June 2001. Of these, 7 IRs containing 12 paragraphs had not been replied to/settled for more than 10 years. Even the initial replies, which were required to be received from the Heads of offices within six weeks from the date of issue of IR were not received in respect of 6 paras for 2 IRs pertaining to 2 offices issued between 1986-87 and 1999-2000.

3.10.3 As a result, some of the important irregularities pertaining to 66 paragraphs (10 paragraphs + 43 paragraphs + 13 paragraphs) involving an amount of Rs.27.89 crore (Rs.0.03 crore + Rs.25.04 crore + Rs.2.82 crore) commented upon in the outstanding Inspection Reports of the three departments have not been settled as of June 2001 as indicated below :

Table – 3.3

Sl. No.	Nature of Irregularities*	Fisheries Department		Social Welfare Department		Secretariat Administration Department	
		No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)	No of paras	Amount (Rs. in lakh)
1.	Local purchase of stationery in excess of authorised limits and expenditure incurred without sanction	-	-	2	12.54	-	-
2.	Non-observance of rules relating to custody and handling of cash, position and maintenance of Cash Book and Muster Roll	-	-	11	4.37	-	-
3.	Delay in recovery or non-recovery of department receipts, advances and other recoverable charges	9	2.40	3	2.22	5	6.57
4.	Drawal of funds in advance of requirements resulting in retention of money in hand for long periods	-	-	5	127.91	-	-
5.	For want of D C C bills	1	0.15	4	17.74	8	275.84
6.	For want of APRs	-	-	2	1.94	-	-
7.	Non-maintenance of proper stores accounts and non-conducting of physical verification of stores	-	-	5	21.39	-	-
8.	For want of sanctions	-	-	7	3.97	-	-
9.	Utilisation certificate and accounts certificate by audit in respect of grants-in-aid not furnished	-	-	4	2311.62	-	-
	Total	10	2.55	43	2503.70	13	282.41

* Source : From the Departments

3.10.4 A review of the IRs which were pending due to non receipt of replies, in respect of the departments revealed that the Heads of the offices, whose records were inspected by AG, and the Heads of the Departments, viz., Director of Fisheries, Director of Social Welfare and Under Secretary (Estt), SAD failed to discharge due responsibility as they did not send any reply to a large number of IRs/Paragraphs and thereby indicated their failure to initiate action in regard to the defects, omissions and irregularities pointed out in the IRs of the AG. The Secretaries of the concerned Departments, who were informed of the position through half-yearly reports, also failed to ensure that the concerned officers of the Departments took prompt and timely action.

3.10.5 The above also indicated that no action was taken against the defaulting officers.

3.10.6 It is recommended that the Government should look into this matter and ensure that (a) action is taken against the officials who fail to send replies to IRs/Paras as per the prescribed time schedule, (b) action is initiated to recover loss/outstanding advances/overpayments in a time bound manner and (c) there is a proper system of expeditious compliance to audit observations in the Department.

3.10.7 The matter was reported to the Government in August 2001; reply has not been received (December 2001).

FINANCE DEPARTMENT

3.11 Misappropriation, losses etc.

Delay in settlement of 31 cases of losses, misappropriation (loss – Rs.839.30 lakh and misappropriation – Rs.0.34 lakh) etc. by the 8 Departments resulted in outstanding balance of Rs.839.64 lakh for periods ranging from 3 months to 41 years

3.11.1 Thirty one cases of misappropriation, losses etc. of Government money aggregating Rs.839.64 lakh reported to Audit were pending settlement for periods ranging from 3 months to 41 years at the end of June 2001.

3.11.2 Department-wise and case-wise analysis of outstanding cases in which final action was pending as of 30 June 2001 is given in **Appendix-XXXII**.

3.11.3 The year-wise and department-wise, position of misappropriation, losses etc. along with period of pending as of 30 June 2001 is given in table 3.4 and 3.5 below:-

Table – 3.4

Year	Cases of Loss**		Cases of Misappropriation		Total No. of cases	
	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)	Number	Amount (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)
upto 1990	16	10.12	1	0.34	17	10.46
1991-92	1	0.65	-	-	1	0.65
1992-93	2	0.18	-	-	2	0.18
1993-94	1	0.15	-	-	1	0.15
1994-95	1	Amount not intimated	-	-	1	-
1995-96	1	0.48	-	-	1	0.48
1996-97	1	Amount not intimated	-	-	1	-
1997-98	1	1.08	-	-	1	1.08
1998-99	2	8.52	-	-	2	8.52
1999-2000	1	4.44	-	-	1	4.44
2000-2001	2	813.68	-	-	2	813.68
	1	Amount not intimated	-	-	1	-
Total:	30	839.30	1	0.34	31	839.64*

Table – 3.5

Sl. No.	Department***	Number of cases	Period of pendency	Amount (Rupees in lakh)
1.	Education	4	3 years to 6 years	3.37
2.	Forest*	11	3 months to 14 years	828.25
3.	General Administration	1	22 years	0.03
4.	Public Works	6	8 years to 14 years	2.93
5.	Supply and Transport	6	14 years to 41 years	1.33
6.	Information and Public Relation	1	12 years	2.65
7.	CWC*	1	6 years	Amount not intimated
8.	Public Health Engineering	1	4 years	1.08
	Total:	31		839.64

3.11.4 Out of 31 numbers of unsettled cases, departmental/police action was awaited in 10 cases, 8 cases were pending in the court of law and 13 cases were awaiting recovery/write off order from Government.

3.11.5 The matter was referred to Government (August 2000); their reply has not yet been received (December 2001).

* No of cases in which amount not intimated – 3 (Forest – 2, CWC – 1)

** Source :- From the Departments

*** Source :- From the Departments