

CHAPTER – III

CIVIL DEPARTMENTS

SECTION-A – REVIEWS

HEALTH AND FAMILY WELFARE DEPARTMENT

3.1 Implementation of the National AIDS Control Programme

3.1.1 Highlights

Central assistance of Rs.48.88 lakh pertaining to the period 1992-99 was unauthorisedly retained by the State Government for periods ranging between four to 10 years and has not yet been transferred to Arunachal Pradesh State AIDS Control Society (APSACS)

(Paragraph 3.1.6)

Budgeting of Arunachal Pradesh State AIDS Control Society (APSACS) was unrealistic as the Society reported inflated expenditure of Rs.10 lakh for the years 1999-2000 and 2000-01 to NACO despite funds of Rs.78.08 lakh remaining unutilised. Further, expenditure of Rs.23 lakh spent on FHAC in 2001-02 was doubtful.

(Paragraphs 3.1.5 and 3.1.8)

Despite incurring an expenditure of Rs.1.13 crore, the targets under priority targeted intervention for groups at high risk were not fully achieved.

(Paragraph 3.1.10)

Condom delivery system, activities under the IEC and awareness campaigns and the blood safety programme failed to take off.

(Paragraphs 3.1.11, 3.1.15 and 3.1.16)

Despite having 6 *per cent* prevalence rate of STD, the achievement of APSACS in strengthening the STD clinics ranged from 0 to 14 *per cent* only.

(Paragraph 3.1.12)

3.1.2 Introduction

HIV/AIDS has emerged as a serious public health problem. To contain the spread of HIV/AIDS, Government of India established a National AIDS

Control Organisation (NACO) (1992) and launched a Centrally sponsored programme with World Bank assistance. The programme was implemented in two phases. The objectives of the first phase of National AIDS Control Programme (NACP) termed as NACP-I were (i) to slow down the spread of HIV, (ii) to decrease morbidity and mortality associated with HIV infection, and, (iii) to minimise the socio-economic impact resulting from HIV infection. The objectives of the second phase (NACP-II) that started from April 1999 were (i) to reduce spread of HIV infection, and, (ii) to strengthen capacity to respond to the HIV/AIDS on a long-term basis.

3.1.3 Organisational set up

At the State level the first phase of the programme (NACP-I) was implemented by the State AIDS Control Cell (SACC) created in 1992 under the Directorate of Health Services and Family Welfare which functioned from 1992 to March 1999. From April 1999 the implementation of the programme (NACP-II) was entrusted to the Arunachal Pradesh State AIDS Control Society (APSACS). APSACS formed in November 1998 has the Secretary (Health & Family Welfare Department) as the *ex-officio* Chairman, and the Director of Health Services (DHS) as its Vice-Chairman. APSACS is headed by a Project Director assisted by a State Aids Programme Officer (SAPO) who is also Member Secretary of the Society and functions as Chief Executive. In addition, APSACS has 16 other members from different departments of the Arunachal Pradesh Government including two members from non-governmental organisations. At district level the programme is implemented by District Medical Officers supported by para-medical staff.

3.1.4 Audit coverage

The implementation of the programme during the period from 1998-99 to 2002-03 was reviewed in audit (January 2003 – April 2003) based on test check of records of office of the Project Director of APSACS, three[#] out of 15 district medical officers (DMOs), two STD clinics, two blood banks (one in Naharlagun and the other in Pasighat) and two out of 4 NGOs covering 87 *per cent* (Rs.4.76 crore) of total expenditure (Rs.5.47 crore).

3.1.5 Financial management

NACP was a hundred *per cent* Centrally sponsored scheme for which funds were provided by the Government of India to the State Government upto April 1998. After the formation of APSACS (November 1998) funds were

[#] East Siang, West Siang and Papumpare

released directly to it by the Government of India. Year-wise release of funds by Government of India through National AIDS Control Organisation (NACO) to APSACS and expenditure incurred thereagainst during 1998-99 to 2002-03 were as under:

Table 3.1

(Rupees in lakh)

Year	Fund proposed by the Society	Opening balance	Fund released by NACO	Expenditure incurred by the Society	Closing balance
1998-99	NA	45.91	13.14	10.17	48.88 [#]
1999-2000	1057.44	-	189.00	101.40	87.60
2000-01	1263.08	87.60	111.00	132.65	65.95
2001-02	407.17	65.95	214.88	162.12	118.71
2002-03	552.42	118.71	100.00	140.63	78.08
Total	3280.11		628.02	546.97	

Source: Society

The reason for unutilised funds of Rs.78.08 lakh has not been furnished.

3.1.6 Unauthorised retention of Central assistance by the State Government

During the first phase, grants were released by Government of India through NACO to the State and the State Finance Department accordingly allotted the grants to the State AIDS Control Cell (SACC) on the basis of State budget provisions. It was pointed out in paragraph 3.1.8 of the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 that at the end of the operational period of the programme under NACP-I (upto 31.3.1999), the State Government retained the unutilised balance of Rs.48.88 lakh of Central assistance pertaining to the period 1992-93 to 1998-99. This unutilised fund which remained with the State Government was to be transferred to APSACS for utilisation under NACP-II. Scrutiny of records showed that unutilised amount of Rs.48.88 lakh pertaining to NACP-I and records relating to its implementation were not transferred to APSACS even until 31 March 2003. This had resulted in unauthorised retention of Central assistance of Rs.48.88 lakh for periods ranging between 4 years to 10 years. Nothing was on record to indicate that any effort was made by APSACS to get the unutilised amount and records of NACP-I transferred to it from the State Government/SACC.

[#] The amount of Rs.48.88 lakh is still with the State Government and has not yet been transferred to the Society.

3.1.7 Unrealistic budgeting

Despite being unable to spend even the yearly funds at its disposal the Society was persistently asking for funds which were three to 12 times the expenditure incurred during the previous years. Such inflated budgeting reduced the entire exercise of drawing up the action plan to merely a way for getting more funds rather than realistic planning of activities to be taken up during the year.

3.1.8 Inflated reporting of expenditure

Against an actual expenditure of Rs.2.34 crore (Rs.1.01 crore + Rs.1.33 crore) during 1999-2000 and 2000-01, the expenditure reported by APSACS to NACO was Rs.2.44 crore (Rs.1.03 crore + Rs.1.41 crore) resulting in inflated reporting of expenditure of Rs.10 lakh (Rs.2.44 crore - Rs.2.34 crore). Similarly, scrutiny of audited accounts and statement of expenditure (SOE) furnished to NACO disclosed that Rs.51 lakh was shown as spent on Family Health Awareness Campaigns (FHAC) in 2001-02 instead of Rs.28 lakh. Details of expenditure for Rs.23 lakh (Rs.51 lakh – Rs.28 lakh) indicating the period/dates and places where the FHAC was organised were not on record nor produced to audit. This has also resulted in inflated reporting of expenditure of Rs.23 lakh on FHAC during 2001-02. The inflated reporting as well as suspect expenditure was either a means to tap more funds from NACO or was a result of defective monitoring and control over expenditure by the Society.

3.1.9 Programme implementation

Implementation of the NACP in the State was reviewed in audit previously and audit observations featured in paragraphs 3.1.49 to 3.1.74 of the Report of the Comptroller and Auditor General of India for the year 2000-01. The major deficiencies noticed included incomplete awareness campaign, blood safety and rational use of blood was not to the projected extent, and non-strengthening of clinics to control STD despite availability of sufficient funds.

A further review on the implementation of the programme during 1998-99 to 2002-03, revealed that activities directly linked to the prevention of the disease were yet to gather momentum as discussed in the succeeding paragraphs.

3.1.10 Priority target intervention (PTI) for groups at high risk

The project aims to reduce the spread of HIV in groups at high risk by identifying target population and provide peer counselling, condom promotion and treatment for sexually transmitted infection (STI). Marginalised groups are commercial sex workers (CSW), truck drivers (TD), injecting drug users (IDU) and men having sex with men (MSM).

During 1999-03 funds of Rs.1.75 crore (1999-2000: Rs.99 lakh, 2000-01: Rs.19 lakh, 2001-02: Rs.34 lakh, 2002-03: Rs.23 lakh) were provided by NACO for priority intervention of targeted groups at high risk against which

an expenditure of Rs.1.13 crore (1999-2000: Rs.12 lakh, 2000-01: Rs.22 lakh, 2001-02: Rs.70 lakh and 2002-03: Rs.9 lakh) only was incurred and the balance of Rs.62 lakh remained unutilised (35 per cent).

Further, during the period 1999-2000 to 2001-03 APSACS had spent Rs.29.91 lakh under the sub-head 'NGO support for target intervention'. Scrutiny, however, revealed that Rs.16.07 lakh was released to four NGOs during the years 2000-01 to 2002-03 for carrying out the PTI project and the balance amount of Rs.13.84 lakh was spent by APSACS. The details of expenditure incurred were not furnished.

Further, out of Rs.16.07 lakh released to the 4 NGOs an amount of Rs.7.40 lakh was spent during the years 2000-01 to 2002-03 for mapping of areas for sexual networking for truckers and associates only and the balance amount of Rs.8.67 lakh was spent on PTI project covering low risk groups such as barbers and migrant labours. Despite an expenditure of Rs.16.07 lakh made by the NGOs no arrangements were made for providing integrated peer counselling, treatment of STIs and training of representatives of groups at high risk. Besides, no action was taken to identify CSWs, IDUs and MSM as per programme. Thus, target regarding involvement of NGOs in the task was not fully achieved and the beneficiaries were deprived of the intended benefits of the programme. It was also seen that neither was any target fixed nor any para-medical staff trained for providing required services to the HIV risk groups. The reasons for non-fixation of the target and non-involvement of NGO were not stated by the Society.

3.1.11 Condom delivery system

It was mentioned in paragraph 3.1.52 of the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 that 40,000 condoms valued Rs.0.10 lakh received from NACO for free distribution during 1996-97 to 1999-2000 were lying idle till April 2001. Scrutiny of records revealed that there was no further procurement of condoms either by the NACO or the Society after 1999-2000 and out of 40,000 condoms lying in stock, 17,200 were distributed free during 2001-03. Balance 22,800 valued Rs.0.06 lakh were lying idle till March 2003. Thus, it is evident that proper counselling for use of condoms was not done and the objective of the programme remained unachieved.

3.1.12 Control of STD

The programme envisages strengthening of STD clinics in every district/general hospital by providing equipment and medicines from NACO fund to ensure protection from AIDS. The target and achievement made in strengthening the STD clinics in district/general hospitals is shown in **Appendix – XV**. During 2000-01, four STD clinics were opened against the target of two STD clinics. The reason for excess achievement of target by 200 per cent was not stated. Scrutiny revealed that during 2001-02, out of 3936 patients attending the hospitals, 234 patients attended the STD clinic

exhibiting a prevalence rate of 6 *per cent*. The records of STD patients for other years could not be produced to audit. Despite such high prevalence rate of STD, the achievement of APSACS in strengthening the STD clinics ranged from 0 to 14 *per cent* only. Further, the records of two test-checked STD clinics did not reflect a comprehensive picture about the nature and extent of treatment (*e.g.* number of cases treated, number of cases referred and result of the treatment) provided to the STD patients on the basis of blood samples collected and tested. Existence of clinics has no meaning unless the clinics serve the purpose for which they were established.

3.1.13 Selection of NGOs

As envisaged in the guidelines, the selection of NGO was to be made in a transparent and viable process. Accordingly, APSACS was to invite applications through advertisement in newspapers for implementing AIDS awareness and control programme. Scrutiny of records revealed that the four NGOs were selected on the basis of application received and not through any advertisement or publicity. Thus selection of these four NGOs was not found to be transparent and was in violation of the prescribed norms.

Further out of Rs.16.07 lakh shown to have been released to four NGOs, an amount of Rs.5.16 lakh was shown as disbursed to one NGO. But test check of audited accounts and utilisation certificate of the NGO *viz.*, Arunachal Pradesh Handicapped Welfare Society, Naharlagun disclosed that they had received Rs.3.87 lakh only. Thus, the release of the balance amount of Rs.1.29 lakh (Rs.5.16 lakh – Rs.3.87 lakh) shown in the records of APSACS was fictitious. The matter was neither investigated nor any disciplinary action taken against the defaulting person for such fictitious payment.

3.1.14 Preventive intervention for general community

The sub-component under this includes (i) information, education and communication (IEC) awareness campaign, (ii) provide voluntary testing and counselling, and, (iii) reduce transmission by blood transfusion.

3.1.15 IEC awareness campaign

Activities under the IEC and awareness campaigns include conducting mass media campaign at State and municipal levels, conducting local IEC campaign, using traditional media such as folk arts and street theatre, promoting advocacy campaigns, conducting awareness programme geared towards youth and college students and organising family health awareness campaigns (FHAC) for control of STI and RTI infections, *etc.*

Test check of records (April 2003) revealed that no targets were fixed for the IEC awareness campaign. However, to raise awareness amongst public, the campaign was mainly taken up through hoardings and display boards, *etc.* Effective mass media campaign such as Doordarshan, cable television, conferences to mobilise social and community leaders were not taken up

though an expenditure of Rs.17.25 lakh was incurred by all the 13 districts of the State during 1999-03 for advertisement through hoardings and display boards.

Further as the main IEC activity was done by holding Family Health Awareness Campaigns (FHAC), funds of family health awareness campaign were released separately and as per the condition imposed by NACO, funds approved for other components were not to be diverted for FHAC. But scrutiny of records revealed that against a grant of Rs.51.50 lakh released by NACO, expenditure of Rs.86.52 lakh was incurred by APSACS for organising FHAC in 13 districts during the period from 1999-2000 to 2000-03 as detailed below:

Table 3.2

(Rupees in lakh)

Year	Fund released by NACO for FHAC	Expenditure incurred	Excess amount of expenditure and percentage
1999-2000	--	24.02	24.02 (100%)
2000-01	23.00	34.00	11.00 (48 %)
2001-02	28.50	28.50	--
2002-03	--	--	--
Total	51.50	86.52	35.02 (68 %)

Source : APSACS

Thus, APSACS contravened the stipulated condition of the funding authority by diverting Rs.35.02 lakh (68 *per cent*) from other components of the programme. APSACS failed to furnish the reasons for such irregularity or provide details of the component/sub-component from which such diversion was made. APSACS had not reported the matter to NACO either and the reason thereof has not been stated.

Records of APSACS further revealed that out of Rs.24.02 lakh shown as disbursed to 13 DMOs during 1999-2000 for organising FHAC, Rs.8.55 lakh was given to two DMOs (Along: Rs.4.86 lakh and Pasighat: Rs.3.69 lakh). However, neither the receipt of the amount nor any expenditure was reflected in the cash books of the concerned DMOs. The DMOs also failed to produce any records evidencing expenditure of Rs.8.55 lakh by feedback data *i.e.* population covered, tests conducted, patients covered and drugs distributed during the campaign. Thus the expenditure of Rs.8.55 lakh incurred by these DMOs could not be vouchsafed in audit. The matter regarding mis-utilisation and non-receipt of fund by the two DMOs has not yet been investigated by the Society.

During the years 2001-02 and 2002-03 APSACS had incurred an expenditure of Rs.17.25 lakh for procuring and installing 61 hoarding and 921 display boards in 13 districts as shown below. However, records of district wise installation of hoardings and display boards were not produced to audit.

Table 3.3

Year	No. of hoarding	Rate (Rupees)	Amount (Rupees)	No. of display board	Rate (Rupees)	Amount (Rupees)	Total (4 + 7) (Rupees in lakh)
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2001-02	30	14,700	4,41,000	545	900	4,90,000	9.31
2002-03	31	-do-	4,55,700	376	-do-	3,38,400	7.94
Total	61		8,96,700	921		8,28,400	17.25

Source : Society

Vouchers produced to audit in support of the expenditure carried a recorded certificate to the effect that completion reports for installation of hoarding and display board have been issued by the concerned DMOs. In support of installation of the same, the completion reports issued by the DMOs were, however, not produced to audit. Cross verification of records of three DMOs (Along, Pasighat and Papumpare) where hoarding and display of boards were required to be installed/displayed, revealed that no completion certificates about their installation/display were issued by them (May 2003). Further, the DMO, Pasighat stated (April 2003) that he had no knowledge about installation of hoarding and display board. Thus, in the absence of completion reports, the expenditure of Rs.3.98 lakh[#] spent on display boards/hoarding in these three districts was doubtful. The matter was neither investigated nor any remedial measures taken.

3.1.16 Reduce transmission by blood transfusion and occupational exposure

The strategies designed by NACO for achieving the objectives *inter-alia* includes (a) setting up of modern blood banks, (b) upgradation/ modernisation of existing blood banks, (c) mobilising voluntary blood donation, (d) establishing blood component separation units, *etc.*

Mention was made in paragraph 3.1.60 of the Audit Report of the Comptroller and Auditor General of India for the year ended 31 March 2001 that under Government sector there are two blood banks attached to the two general hospitals (GH) at Naharlagun and Pasighat and that APSACS had not taken any action for their upgradation and modernisation. Scrutiny of records (April 2003) revealed that although APSACS had spent Rs.70.47 lakh under the sub-head blood safety it was still unable to modernise and upgrade the blood banks or establish any new blood banks in the State, thus leaving 13 out of the 15 districts of the State uncovered. Thus, the entire process of blood safety in the State rested with two banks *viz.*, one at Naharlagun and the other at Pasighat. It was stated by APSACS that due to non-availability of infrastructure to be created by the State, no modern blood bank could be established. The reply points to the failure of APSACS to actively pursue the matter with the State Government despite setting targets for the same. Further APSACS had also failed to organise any campaign for voluntary blood donations.

[#] Calculated proportionately : {Rs. (896700/13 × 3) + (828400/13 × 3)}

3.1.17 Irregular procurement

Dealers and distributors of drugs must have valid drug licence from appropriate authority. Test check of records revealed that APSACS had procured drugs worth Rs.14.44 lakh for STI and OI patients during June 2000 and March 2001 from an unauthorised dealer as the drug licence of the dealer had expired in December 1999. The reason for the same was neither stated nor furnished.

3.1.18 STI/HIV/AIDS sentinel surveillance

During the period from 1999-2000 to 2001-02, sentinel surveillance was conducted in two general hospitals[#] and one district hospital^ψ by examining 886 STD patients and screening of 802 anti natal cases^β. Out of it, two HIV positive cases were detected. There was nothing on record to ascertain the fate of the two HIV positive cases and the reason thereof had not been furnished. In absence of any targets, shortfall if any, in sentinel surveillance could not be ascertained in audit. The APSACS, 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 APSACS and the district medical authority regarding collection of samples in respect of suspected AIDS cases from the CHC/PHC in the districts.

3.1.19 Training

Training is an important function of programme management. During 1999-2000 all the programmes on training of the trainers and induction level training were to be completed.

Scrutiny of records (April 2003) revealed APSACS had incurred an expenditure of Rs.4.37 lakh during the period from March 2000 to February 2002 on seven induction/refresher training courses. The training for 28 core trainees was, however, imparted only during February 2002 at a cost of Rs.0.97 lakh and no other training course has been organised thereafter utilising the services of these core trainers. Thus expenditure of Rs.0.97 lakh spent on their training has proved to be unproductive. Details of six other training courses conducted during 1999-03 at a cost of Rs.3.40 lakh could not be verified due to non-production of records, viz., number of trainees who have attended the courses, number of instructors deployed, duration of training course and expenditure details. The reason thereof was not stated.

[#] Naharlagun and Pasighat

^ψ Tezu

^β Year	STD	Anti natal	Total
1999-2000	286	402	688
2000-01	238	-	238
2001-02	362	400	762
Total	886	802	1688

Further, as of 31 March 2003, out of 1698 health workers (doctors – 545, nurses – 553, laboratory technician – 60, other paramedics – 540), only 181 (doctors – 109, nurses – 15, laboratory technician – 32, other paramedics – 25) were trained. The percentage of trained health workers for protection of AIDS was only 11 *per cent* after implementation of the programme since 1992 which obviously was not conducive for proper implementation of the programme though an expenditure of Rs.31.75 lakh was incurred during 1999-03. Also, the utilisation of the 181 trained man power in strengthening the management capacity under various components of the programme was not furnished by APSACS.

Further, APSACS was to prepare a district action plan and time activity schedule by the end of 2000. But till the year ended 31 March 2003 neither those tasks could be completed nor any arrangement made to train any staff for completion of the tasks. The reason thereof has not been stated.

3.1.20 Other points of interest

During the period from January 2001 to November 2002 APSACS spent Rs.28.63 lakh for procurement of drugs, equipment, *etc.*, meant for various components under the NACP from local firms. Test check of stock registers revealed that these items were lying idle in stock till April 2003. Thus, procurement of drugs equipment, *etc.*, without assessing actual requirements resulted in idle expenditure of Rs.28.63 lakh for 6 months to 2 years 6 months.

3.1.21 Monitoring and evaluation

Due importance is to be given under the programme by each AIDS Control Society to have a monitoring and evaluating officer (M&E) and to conduct baseline, interim and final year evaluation of the programme by an independent outside agency. Scrutiny of records revealed that APSACS did not fill up the post of M&E officer even though the final year of the project was approaching (2004). Further, other than routine compiling of progress reports for transmission to NACO, no monitoring of the activities was ever conducted to evaluate the performance of the programme and its impact on the people. Thus, the overall impact of the programme for reducing and controlling incidence of AIDS remained unassessed.

3.1.22 Conclusion

The programme was not effectively managed and implemented. The achievements under the sub-components were not substantial and in most of the cases, targets were not fixed. Sexually transmitted disease clinics and blood banks were not strengthened as required under the guidelines. Condom delivery system failed to take off due to non-purchase of condoms after April 2000 and non-utilisation of condom held in stock. APSACS failed to implement the programme as per guideline after incurring an expenditure of Rs.5.47 crore, despite availability of sufficient fund (Rs.6.28 crore).

The matter was reported to the Government/APSACS (July 2003); reply has not been received (September 2003).

PLANNING DEPARTMENT

3.2 Members of Legislative Assembly Local Area Development Scheme

3.2.1 Highlights

The review highlights certain major shortcomings in the implementation of the programme which interalia include doubtful expenditure on utilisation of CGI sheets, short receipt of CGI sheets, non-creation of durable assets and incurring of revenue and unauthorised expenditure beyond the purview of the scheme.

Utilisation of CGI sheets valued Rs.1.91crore was doubtful due to non-maintenance of proper records for distribution of CGI sheet to the beneficiaries.

(Paragraph 3.2.6)

Expenditure of Rs.58.32 lakh, incurred by four districts for the years 2000-03 on non-durable works, violated the provisions of the scheme and was thus irregular.

(Paragraph 3.2.7)

Eight Deputy Commissioners incurred revenue expenditure of Rs.47.26 lakh for repair/renovation of assets in contravention of the provisions of the scheme.

(Paragraph 3.2.8)

In the absence of records showing mode of transportation of CGI sheets from the factory/godown to the beneficiaries the genuineness of receipt of 45.76 MT of CGI sheets valued Rs.15.37 lakh was doubtful.

(Paragraph 3.2.9)

3.2.2 Introduction

The Government of Arunachal Pradesh introduced the Members of Legislative Assembly Local Area Development Scheme (MLALADS) in October 2000 to provide for small developmental works of capital nature based on the local needs of the people. Works like housing assistance for roofing materials, *etc.*, village roads, bridges, schools, common shelters for the old, irrigation canal/bund, public health care buildings and veterinary aids centres *etc.*, that did not form part of any other scheme implemented in the district were to be taken up on the basis of recommendation of MLAs under the scheme. Under the scheme, each MLA was to give a choice of works to the concerned Deputy Commissioners (DC) who would get them implemented through Government agencies in the district by following the established procedure. The funds would be lapsable and the schemes taken up for a particular year were to be

completed in the same financial year and lead to the creation of durable assets. The sites selected for execution of works could not be changed except with the concurrence of the MLA himself. The state of Arunachal Pradesh has 60 MLAs representing the entire State.

3.2.3 Organisational set up

The Planning Department of the State Government is the nodal department for implementation and monitoring of the scheme. The Deputy Commissioners (DCs) of the districts scrutinise and implement the scheme through Government agencies like Public Works Department, Irrigation and Flood Control Department, Rural Works Department, District Urban Development Agency, District Rural Development Agency (DRDA), etc.

3.2.4 Audit coverage

The implementation of the programme during the period from 2000-01 to 2002-03 was reviewed in audit (May 2003 – July 2003) based on test check of records of the Planning Department and district administrations in five districts out of 15 districts covering 18[#] Assembly constituencies (out of 60 Assembly constituencies) and covered 33 per cent of total expenditure.

3.2.5 Financial arrangement

Amount sanctioned, fund released by the State Government and expenditure incurred thereagainst by the district administration during the period from 2000-01 to 2002-03 were as under:

Table 3.4

(Rupees in lakh)

Years	Fund sanctioned / allotted	Expenditure incurred
2000-01	1210.00	1190.40
2001-02	1211.40	1208.56
2002-03	1200.00	1200.93

Source: Appropriation Accounts

The reason for incurring excess expenditure of Rs.0.93 lakh during 2002-03 has not been furnished.

Physical progress

3.2.6 Doubtful utilisation of corrugated galvanised iron (CGI) sheets

According to the scheme, house assistance in the form of distribution of CGI sheets for roofing etc., to the beneficiaries was made as per choice of the

[#] Papumpare : three numbers, Lower Subansiri : three numbers, Kurung Kumey : four numbers, East Siang : five numbers and West Kameng – three numbers of Assembly constituencies.

respective MLA of the district. The DCs are authorised to procure roofing materials like CGI sheet, cement, etc., on the basis of recommendation of MLA for distribution to beneficiaries through Government agencies. Scrutiny of records (June 2003) of four test checked districts[#] revealed that 604.74^ψ MT of CGI sheets of 0.50 mm to 0.65 mm specifications, valued at Rs.1.91 crore were procured by the respective Project Directors, DRDA of the districts from different suppliers during the period from 2000-01 to 2002-03 for distribution to the beneficiaries as assistance for construction of houses with CGI roofing. The entire quantity of CGI sheets were recorded as distributed to the beneficiaries of four districts during 2002-03 through respective Block Development Officers. However, records showing the list of recommended beneficiaries and basis of their selections, quantity distributed to each beneficiary, date of distribution and utilisation of the same for construction of houses by the beneficiaries etc., could not be produced to audit although the same have been specifically asked for. In the absence of records, the utilisation of funds of Rs.1.91 crore could not be vouchsafed in audit. There was no monitoring trail to find out whether the beneficiaries had really built a durable dwelling unit using the CGI sheets so supplied. Further, there was no system under which the local beneficiaries were made aware that house assistance for roofing was available in the form of supply of CGI sheets under the scheme and the reason thereof was not on record.

Further, the department had not prescribed any norm for distribution of CGI sheets to the beneficiaries for construction of dwelling unit *i.e.* whether the CGI sheets would be issued after completion of parameters like CC pillars, timber post secured by iron clamps and wooden frame for roofing with CGI sheets or after completion of house work upto roof level by the beneficiaries. Instead the DRDA supplied CGI sheets as house assistance without ascertaining whether or not the beneficiaries could afford to make suitable frames to fix the CGI sheet so supplied. Thus, absence of norm for distribution of CGI sheets as well as non-maintenance of records is fraught with the risk of doubtful utilisation of CGI sheets.

3.2.7 Irregular expenditure on non-durable works

According to the scheme, only works of capital and durable nature are to be taken up for execution by the district administration. Scrutiny (June 2003) of records of four test-checked districts and statement of works undertaken by another four districts^β for the years 2000-03 revealed that 121 works valued Rs.58.32 lakh (**Appendix – XVI**), were executed which were of non-durable nature such as porter track, log bridges, ordinary basha type (OBT) buildings with bamboo and tree leaves, etc. Thus, expenditure of Rs.58.32 lakh, incurred

[#] Papumpare, Lower Subansiri, Kurung Kumey and East Siang districts.

^ψ 2000-01 to 2002-03:

Lower Subansiri	77.56 MT	Rs.0.29 crore
Papumpare	317.78 MT	Rs.0.96 crore
Kurung Kumey	142.65 MT	Rs.0.44 crore
East Siang	66.75 MT	Rs.0.22 crore
<u>Total</u>	<u>604.74 MT</u>	<u>Rs.1.91 crore</u>

^β Changlang, Upper Subansiri, West Siang and Lohit.

on above items was irregular as durable assets were not created and violated the provisions of the scheme. No reason for the irregularity was furnished.

3.2.8 Execution of works in contravention of the provision of the scheme

The scheme prohibits incurring expenditure against revenue items and stipulates that funds for maintenance and upkeep of the works undertaken under the scheme should be forthcoming from the concerned local body or the relevant agency. Scrutiny of records (June 2003) revealed that during the period from 2000-01 to 2002-03, eight DCs[#] incurred revenue expenditure of Rs.47.26 lakh on repair/renovation of 64 assets created out of MLA fund. Thus expenditure of Rs.47.26 lakh incurred against repair/renovation by the concerned DCs was irregular as these works were not covered under the provisions of the scheme.

The scheme guidelines did not permit the execution of works which would lead to creation of assets belonging to the State Government. Scrutiny of records (June 2003) revealed that the administrations in three districts^Ψ spent a sum of Rs.6.18 lakh for execution of 10 works (**Appendix – XVII**) which led to creation of State Government assets beyond the purview of the scheme. The reason for such irregular expenditure had not been furnished.

3.2.9 Short receipt of CGI sheets

Scrutiny of records (June 2003) of the DC Ziro revealed that the Project Director, DRDA, Ziro between March 2001 and October 2002 procured 96.36 MT of CGI sheets of 0.50 mm to 0.65 mm specification for distribution to the beneficiaries of 13 villages as house assistance for CGI roofing at a cost of Rs.33.42 lakh (**Appendix – XVIII**) from 4 firms (one Guwahati based firm and 3 local firms). The distribution work was shown to have been completed during the respective years *i.e.* 2001-02 and 2002-03 respectively according to guidelines of the scheme. The department had not maintained a list of beneficiaries assisted in construction of dwelling unit by CGI roofing and as a result, the number of houses constructed by CGI roofing could not be verified in audit. But cross verification of supply of CGI sheets with the freight bills of the carriage contractors revealed that only 50.60 MT of CGI sheets were carried by the carriage contractors during the period mentioned above and they were paid Rs.1.94 lakh as carriage charges. The balance 45.76 MT of CGI sheets valued Rs.15.37 lakh were neither supplied by the supplier nor did the executing agencies make any attempt to recover the materials from the

#	<i>Papumpare</i>	<i>2000-03</i>	<i>2 nos expenditure incurred</i>	<i>Rs.1.00 lakh</i>
	<i>Lower Subansiri</i>		<i>15 nos</i>	<i>Rs.4.70 lakh</i>
	<i>Kurung Kumey</i>		<i>10 nos</i>	<i>Rs.7.70 lakh</i>
	<i>East Siang</i>		<i>19 nos</i>	<i>Rs.21.68 lakh</i>
	<i>Changlang</i>	<i>2002-03</i>	<i>6 nos</i>	<i>Rs.2.20 lakh</i>
	<i>West Siang</i>		<i>1 no</i>	<i>Rs.1.00 lakh</i>
	<i>Lohit</i>		<i>9 nos</i>	<i>Rs.6.80 lakh</i>
	<i>West Kameng</i>		<i>2 nos</i>	<i>Rs.2.18 lakh</i>
			<i>64 nos</i>	<i>Rs.47.26 lakh</i>

^Ψ *Lower Subansiri, Kurung Kumey and West Kameng.*

suppliers. In support of the receipt of the balance quantity of materials, no record regarding the transportation of goods departmentally or stock register showing mode of receipt of CGI sheets and the relevant MBs regarding the receipt of materials could be made available to audit. It was also not clear as to how the distribution works were shown to have been completed without receipt of 45.76 MT of CGI sheets of different specifications. The matter was neither investigated nor were any efforts made to recover the balance amount of Rs.15.37 lakh from the suppliers for short supply of materials. Existence of distribution works on paper had no meaning unless the utilisation of CGI sheets serve the purpose for which these were procured for *i.e.* construction of houses by CGI roofing.

3.2.10 Excess expenditure due to procurement of CGI sheets at higher rate

Regarding procurement of CGI sheets it was noticed from price list of Tata CGI sheets of one local firm at Ziro (Hapoli) that the price of 0.63mm CGI sheet per MT was only Rs.27,056 (cost of CGI sheet per MT Rs.26,015 + Rs.1,041 as 4 *per cent* CST) and that the rate was valid for the period from 06.10.2001 to 06.10.2002. However, on the basis of supply order placed by the Project Director, DRDA, Lower Subansiri District, Ziro in October 2002, a Guwahati based firm (October 2002) supplied 54 MT (**Appendix – XVIII**) of CGI sheets (0.63 mm) valued Rs.18 lakh (cost of CGI sheets = 54 x 31,000 per MT = Rs.16.74 lakh + carriage charge from Guwahati to DRDA godown Hapoli – Rs.1.26 lakh). On scrutiny of bills of carriage contractors, it was seen that the carriage contractors carried only 22.40 MT of CGI sheets (0.63mm) at the rate of Rs.5620 per MT. The balance of 31.60 MT of CGI sheets (**Appendix – XVIII**) had not been carried by the carriage contractors, though the payment for the CGI sheets had already been made to the supplier, and thus 31.60 MT had not been supplied.

Similarly, in September 2001, one local firm at Banderdewa had supplied 38.07 MT of CGI sheet (0.63 mm) valued Rs.14.99 lakh (@ Rs.39,380 per MT) at DRDA godown at Ziro (Hapoli).

Thus, computed with the prevailing rate of CGI sheets as per price list of the local firm, the Project Director, DRDA Ziro had incurred an extra expenditure of Rs.8.08 lakh[#] on procurement of CGI sheets at higher rate. The reasons for procurement of CGI sheets at higher rate were neither on records nor stated.

3.2.11 Monitoring and evaluation

The scheme provides that the Planning Department will have the nodal responsibility for the scheme and the DC of the respective district would be responsible for co-ordination and overall supervision of the works under the scheme. Scrutiny of records revealed that no periodical progress

[#] (a) 31.60 MT @ Rs.3944 per MT (Rs.31,000.00 – Rs.27,056.00) = Rs.1.25 lakh
(b) 22.40 MT @ Rs.9564 per MT (Rs.36,620.00 – Rs.27,056.00) = Rs.2.14 lakh
(c) 38.07 MT @ Rs.12,324 per MT (Rs.39,380.00 – Rs.27,056.00) = Rs.4.69 lakh
Rs.8.08 lakh

reports/returns regarding financial and physical achievement had been prescribed either by the Planning Department or the DCs to evaluate the performance of the scheme and its impact on the people. No inspection reports in respect of inspection of field units conducted by DCs could also be made available to audit. Thus, effective monitoring and reporting mechanism has not yet been developed either at the State or district level and hence, the impact of the scheme in developing the areas under the constituencies of the MLA remained unassessed.

The foregoing observations were reported to Government in July 2003; reply has not been received (September 2003).

3.2.12 Recommendations

The maintenance of durable assets created under the scheme has to be ensured. It should be ensured that roofing materials like CGI sheets *etc.*, are properly distributed by the executing agencies and records in support of actual distribution are submitted to concerned DCs. The receipt of exact quantity of materials for which suppliers/contractors were paid should be ensured. Monitoring and evaluation system should be evolved and implemented diligently.

**SOCIAL WELFARE, WOMEN AND CHILD
DEVELOPMENT DEPARTMENT**

3.3 Welfare of the handicapped

3.3.1 Highlights

The review highlights failure of the State Government to implement the various provisions of Persons With Disabilities (PWD) Act, 1995, poor performance of the National Programme for Rehabilitation of Persons with Disabilities and absence of effective monitoring and evaluation system in the State.

Though provided in the PWD Act, 1995, a State Executive Committee as an executive arm of the State Co-ordination Committee has not been formed. By holding only one meeting instead of the required nine of the State Co-ordination Committee, the State Government failed to review and co-ordinate the activities of various departments and NGOs dealing with matters of disability.

(Paragraph 3.3.5)

There were 10,742 people with disabilities in the State according to the National Sample Survey conducted during 1991. The State Government has taken up neither investigation to find out the cause of occurrence of disease, nor screening of school children for identifying 'at risk' cases.

(Paragraph 3.3.6)

The State Government has neither developed any educational infrastructure for people with disabilities nor arranged any non-formal education system, etc.

(Paragraph 3.3.7)

Though the State Government had adopted a policy of three *per cent* reservation of posts for PWD in principle, identification of posts or employment for any of the 67 PWD registered in the State has not yet been provided by the Government.

(Paragraph 3.3.8)

During the years 1998-99 to 2000-01, the Rural Development Department had covered 18,635 beneficiaries under poverty alleviation scheme, but no handicapped person was allotted any slot as against the three *per cent* envisaged in the Act.

(Paragraph 3.3.9)

Out of Central assistance of Rs.3.67 crore, an amount of Rs.1.66 crore only was spent during 2000-03 resulting in savings of 55 *per cent* under NPRPD. Further out of this Central assistance an amount of

Rs.12.50 lakh was diverted at the instance of the State Government and Rs.3.54 crore was deposited in current account instead of savings bank account resulting in the nodal department sustaining a loss of interest of Rs.13.47 lakh.

(Paragraphs 3.3.16, 3.3.17 and 3.3.18)

Out of 536 candidates only 185 were trained as CBRWs. No multipurpose workers for investigation of ‘at risk’ cases were/was trained nor any block level services for rehabilitation of PWD taken up.

(Paragraphs 3.3.19 and 3.3.20)

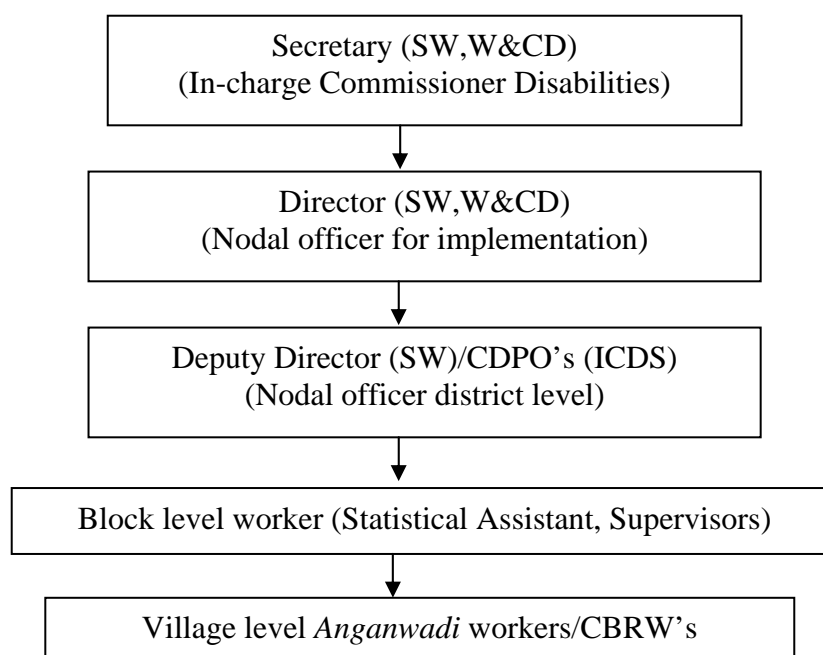
3.3.2 Introduction

People with disabilities are subjected to neglect, isolation, poverty deprivation and pity as well. They are in need of usual services and facilities available to the general public. This disadvantaged group also requires facilities for education, aids/appliances, health and safety measures and creation of an appropriate environment in places where they are employed. As in the rest of the country, in Arunachal Pradesh also, Persons With Disabilities (Equal Opportunity, Protection of Rights and Full Participation) (PWD) Act, 1995 which came into force in 1996 is being implemented along with other dedicated schemes/programmes such as National Programme for Rehabilitation of Persons with Disabilities (NPRPD).

3.3.3 Organisational set up

The organisational structure for implementation of the programme is detailed below :

Chart 3.1



3.3.4 Audit coverage

The implementation of the PWD Act, 1995 and the National Programme for Rehabilitation of Persons with Disabilities (NPRPD) were test checked during February 2003 to April 2003 based on records of the (i) Director of Social Welfare, Women and Child Development (SW,W&CD), Naharlagun, (ii) Commissioner of Labour, Naharlagun, (iii) Deputy Commissioners, Papumpare, Lower Subansiri and Kurung Kumey districts, (iv) District Rural Development Agencies – Lower Subansiri (LS), Kurung Kumey and Papumpare districts, (v) Deputy Director of School Education (DDSE), LS and Ziro and (vi) District Medical Officers, LS and Ziro for the period from 1998-99 to 2002-03. The results of test check are brought out in succeeding paragraphs.

Implementation of the Persons With Disabilities (PWD) Act, 1995

3.3.5 State Co-ordination Committee

The State Co-ordination Committee (SCC) was formed during January 1998, with the Minister-in-charge of the Department of Social Welfare in the State Government as Chairperson and other members as provided in PWD Act, 1995. The State Executive Committee (SEC) as executive of the State Co-ordination Committee has not yet been formed by the SCC. It was stated by the Director, Social Welfare, Women and Child Development (SW,W&CD) (April 2003) that the SEC was not formed as the Government/department did not feel the need for formation of SEC. The reply is not tenable as formation of SEC as an executing arm of the SCC is mandatory under the Act.

According to PWD Act, 1995, the SCC was to meet every six months to review and co-ordinate the activities of various Government departments and non-governmental organisations (NGOs) dealing with matters of disability. During the period covered by audit (1998-03) the SCC had met just once in November 2001. This indicated that the SCC was not active in reviewing and co-ordinating the activities of Government departments and NGOs dealing with matters of disability and thus the evaluation of the programme in the State by the SCC remained unassessed. The reason for non-holding of SCC meetings as laid down in the PWD Act, 1995 has not been stated (July 2003).

3.3.6 Prevention and early detection of disabilities (Section 25)

According to the National Sample Survey conducted during 1991 there were 10,742 persons with moderate to severe disability in the State (**Appendix – XIX**). The department has neither taken up any action for investigation, research work, screening of school children for identifying 'at risk' cases nor has it provided any facility for training to staff at the primary health centres (PHC) for prevention and early detection of disabilities.

3.3.7 Education (Sections 26 to 31)

According to PWD Act, 1995, the State Government was to develop educational infrastructure for PWD, arrange non-formal education, take research work for designing and development of new assertive devices, teaching aids/teachers training institution and make provision of amanuensis to blind students and students with low vision. The State Government had not taken any action to carry out the activities as envisaged in the Act. In reply to para 3.3.6 and 3.3.7 the department stated (July 2003) that because of financial constraints the actions envisaged under Sections 25 to 31 of the Act could not be undertaken. The reply is not tenable as during the years 1998-99 to 2002-03 funds under the head 'Social Welfare' and 'Education' were being regularly surrendered.

Employment

3.3.8 Identification of posts and appointment of PWD

Though the State Government had adopted a policy of 3 *per cent* reservation of posts for PWD the identification of posts has not yet been made by any of the Government departments. Out of 67 PWD (**Appendix – XX**) registered from 1998-99 to 2002-03 in the 11 employment exchanges of the State, no employment of PWD has yet been made by the Government. The department stated (July 2003) that identification of post(s) for providing employment to PWD has started in various departments. Further progress is awaited.

3.3.9 Reservation of vacancies in poverty alleviation schemes

Section 40 of the Act provided that the State Government/local authority is to reserve 3 *per cent* slots for PWD in all poverty alleviation schemes. Scrutiny of records (March 2003) of the nodal department revealed that no such facility was provided to the PWD in any of the poverty alleviation scheme. Records made available to audit by the Rural Development Department for the years 1998-99 to 2000-01 revealed that out of 18,635 persons covered (**Appendix – XXI**) during three years, no slot was allotted to the PWD. The reason for not providing the work to the PWD was not stated by the nodal department. In reply, the department stated (July 2003) that the reason for not providing any slot to the PWD under the scheme has been called for from Rural Development Department and would be intimated in due course. Further development is awaited.

3.3.10 Affirmative action schemes for preferential allotment of land for certain purposes

Section 43 of the Act lays down that the appropriate Government and the local authorities should frame schemes in favour of PWD for preferential allotment of land at concessional rates for purposes, such as housing, business, setting up of special recreation centres, special schools/research centres and establishment of factories by entrepreneurs with disabilities. Scrutiny of

records (March 2003) revealed that no such preferential allotment of land to the PWD was made either by the State Government or by the local authorities. The department stated (July 2003) that the action is not possible in Arunachal Pradesh as the lands belong to communities and individuals. The reply is not tenable as under the Arunachal Pradesh (Land Settlement and Records) Act 2000 all lands which are not the property of any person or community belong to Government. Further, as per records available with audit, in four districts (Along, Tezu, Pasighat and Itanagar) alone, between October 1999 and January 2001, the Government had allotted 1.58 lakh sq.m of land to 97 occupants for residential purposes.

3.3.11 Non-discrimination

According to PWD Act, 1995 the State Government/local authority should within the limits of their economic capacity provide for the benefits of the PWD non-discriminatory environments in transports, roads and in the built environment. Scrutiny of records (March 2003) revealed that no fund for fulfilling any of the above facilities was provided by the State Government. The department stated (July 2003) that these facilities are being provided. The reply is not tenable as the department failed to furnish the details of the non-discriminatory environments created or details of the funds provided by the State Government for the purpose.

3.3.12 Commissioner for PWD (Sections 57 to 65)

In accordance with the PWD Act, 1995, the State Government appointed (January 1998) the Secretary to the Government of Arunachal Pradesh, Social Welfare, Women and Child Development (SW,W&CD) as the State Commissioner (SC) for the PWD. As envisaged in the Act, monitoring of utilisation of funds disbursed to the non-governmental organisations (NGOs) and inspection to review their work were few of the many duties of the SC. It was, however, seen that utilisation certificate for an amount of Rs.6.25 lakh disbursed in October 2000 to one NGO[#], out of Rs.12.50 lakh received under *Grameen Punarvasa Yojana*, is still awaited. Moreover, inspection of records of the said NGO has still not been done (March 2003). While admitting the fact, the department stated (July 2003) that utilisation certificate for the amount of Rs.6.25 lakh is being called for from the concerned NGO and that action for inspection of NGOs is being taken up.

3.3.13 Social security

According to Sections 66 to 68 of the PWD Act, 1995, the State Government was to take steps to undertake rehabilitation/insurance schemes/unemployment allowance for PWD. Scrutiny of records revealed that no such scheme/activity has been undertaken by the department. The department stated (July 2003) that because of financial constraints these activities could not be

[#] *Donyi Polo Mission – Dibang Valley.*

undertaken. The reply is not tenable in view of the surrender of funds under the head 'Social Welfare' pointed out above.

3.3.14 Issuance of disability certificates

In respect of issuance of disability certificates (**Appendix – XXII**) to the PWD by the concerned Deputy Commissioners it was seen that out of total cases of 10,742 PWD, only 661 disability certificates were issued by the concerned Deputy Commissioners during the period from 1998-99 to 2002-03. The reason for non-issuance of 10,081 (10742-661) certificates to the remaining PWDs was not found on record. The department stated (July 2003) that the concerned Deputy Commissioners have now been requested to issue the disability certificates to the PWD. Further developments are awaited.

3.3.15 Implementation of National Programme for Rehabilitation of Persons with Disabilities (NPRPD)

NPRPD, a new flexible State sector scheme financed by the Government of India was introduced by providing resources to the State since 2000-01 to (i) create service delivery system at State/district/block/gram panchayat levels, (ii) provide services to PWD, and, (iii) create awareness for prevention of disabilities with clear linkage of each level with the other.

3.3.16 Financial arrangement

Fund released by Government of India and expenditure incurred there-against for implementation of the scheme during 2000-01 to 2002-03 is shown in the table below:

Table 3.5

Year	Opening balance	Fund received	Utilised	Unutilised	(Rupees in lakh)
					Percentage of amount utilised
2000-01	-	210.85	12.50	198.35	6
2001-02	198.35	156.05	13.86	340.54	4
2002-03	340.54	-	139.49	201.05	41
Total		366.90	165.85		45

Source : Department

Out of the total Central assistance of Rs.3.67 crore, Rs.1.66 crore were spent during the years from 2000-01 to 2002-03. During the years 2000-01 and 2001-02 the percentage of funds utilised was a meagre 6 and 4 per cent respectively indicating poor implementation of the scheme. The Director, SW,W&CD stated (March 2003) that the savings of Rs.2.01 crore (55 per cent) were due to part implementation of the scheme.

3.3.17 Diversion of Central assistance

The Central Government released (May 2000) Rs.12.50 lakh to the Director, SW,W&CD, Naharlagun for construction of State Resource Center under the extended programme of NPRPD, known as *Grameen Punarvasa Yojana* scheme. The fund was distributed (October 2000) to two NGOs @ Rs.6.25 lakh each viz., Donyi Polo Mission-Dibang Valley and Donyi Polo Youth Federation - Papumpare districts resulting in diversion of fund. The reason for diverting the amount to the NGOs was neither on record nor stated.

3.3.18 Loss of interest

The Ministry of Social Justice and Empowerment, Government of India released a sum of Rs.1.98 crore and Rs.1.56 crore during 2000-01 and 2001-02 respectively under National Programme for Rehabilitation of Persons with Disabilities (NPRPD) scheme. Both the amounts were kept in SBI, Naharlagun current account instead of some interest bearing account. Consequently the department sustained a loss of interest amounting to Rs.13.47 lakh as shown below:

Table 3.6

Amount received	Expenditure till January 2003	Balance up to January 2003	Interest (4 per cent Savings Bank rate)
Rs.1.98 crore	Rs.85.59 lakh	Rs.1.13 crore	22 months from April 01 to January 2003 Rs.8.27 lakh
Rs.1.56 crore	Nil	Rs.1.56 crore	For 10 months from April 2002 to January 2003 Rs.5.20 lakh

Source : Department

Had the money been deposited to savings bank account, the nodal department could have earned interest of Rs.13.47 lakh. The department stated that as there was no specific instruction in the guidelines, the amount was kept in current account. At the instance of audit the balance amount was transferred to savings bank account during February 2003.

According to NPRPD guidelines, each community based rehabilitation worker (CBRW) was to be paid Rs.500 per month for his/their services in *gram panchayat* level. Scrutiny of records of the Director, SW,W&CD,

Itanagar, revealed that the CBRWs were paid monthly honorarium of Rs.1000 as shown below:-

Table 3.7

Batch No.	Total Nos. of CBRWs	Period of training	Amount paid	Amount admissible	Extra expenditure
1 st	31	Sept'2002	31,000	15,500	15,500
2 nd	32	Nov'2002	32,000	16,000	16,000
3 rd	38	Jan'2003	38,000	19,000	19,000
4 th	37	Feb'2003	37,000	18,500	18,500
5 th	47	Mar'2003	47,000	23,500	23,500
Total			1,85,000	92,500	92,500

Source : Department

On the discrepancies being pointed out in audit, the department stated (July 2003) that in view of the high cost of living in Arunachal Pradesh the rate of honorarium was fixed at Rs.1000 per month to each CBRW by the State Government. The reply is untenable as the State Government's decision was violative of provisions of the scheme guidelines leading to the Government of India incurring an extra expenditure of Rs.0.93 lakh.

3.3.19 Training of Community Based Rehabilitation Workers (CBRWs)

The nodal department had identified nine out of 14 districts in the State from where a total 536 CBRWs were to be trained for the purpose of undertaking screening of 'at risk' cases, etc. Only 185 (35 per cent) CBRWs (male 89 and female 96) were imparted training from September 2002 to March 2003. The department accepted the fact and stated (July 2003) that training of CBRWs from the remaining districts is under the active consideration of the department.

3.3.20 Block level services

There was a provision for two multipurpose rehabilitation workers (MRW) in every block to provide (i) simple rehabilitation services in the covered districts like heat therapy, physiotherapy, etc., and, (ii) simple repair of assertive devices. MRWs were to act as powerful catalysts for referral of persons with disabilities to appropriate educational institutions or to health services or to vocational training institutions. They were to be given three months training in this regard. Though the nodal department had received sufficient Central assistance since 2000-01, no MRW has yet been selected for training nor any block level services for rehabilitation of PWD taken up. Further no work for welfare of the PWD has yet been initiated though the department has spent Rs.1.66 crore during the last 3 years ending March 2003. On the tardy implementation of the scheme being pointed out (May 2003) the department accepted the fact and stated (July 2003) that the block level services are being accelerated to achieve the expected goal by the year 2003-04.

3.3.21 Performance of Community Based Rural Workers (CBRWs) posted to different districts

From the monthly/quarterly reports of the CBRWs sent to the nodal office, it was seen that a good number of CBRWs were not reporting door-to-door survey conducted by them correctly. Most of the columns of the monitoring report were kept blank. This indicates that CBRWs have not been performing the duties of screening of infants and expectant mothers nor conducting community meetings and not referring the 'at risk' cases to the higher authority. Out of 95 cases of PWDs in 3 districts, not a single case was referred to the higher authority for further investigation and follow up action. It was further seen that 50 periodical survey reports from three districts/19 CBRWs (Changlang - eight CBRWs, West Kameng - two CBRWs and East Siang - nine CBRWs) during the period from November 2002 to January 2003 were not sent to the nodal department. Test check of periodical survey reports of 82 CBRWs in six districts (Dibang Valley, Papumpare, Lohit, West Siang, East Kameng and Upper Subansiri) for the period from November 2002 to January 2003 revealed that these reports though received by the nodal department during February/March 2003, were not being compiled. In the absence of a compiled report showing the status of PWD in the districts it was not possible for the nodal department to execute rehabilitation work. Periodical reports in respect of financial and physical achievement as required under the programme have not yet been sent to the Government of India since April 2001. On this being pointed out (May 2003) the department stated (July 2003) that necessary action is being taken for submission of periodical reports by the CBRWs, compilation of these reports and report the financial and physical achievements to the Government of India as required under the programme. Further development is awaited.

3.3.22 Monitoring and evaluation

Despite the nodal department having its monitoring and evaluation cell there was no effective system of monitoring to ensure amongst other things proper accounting of funds, speedy implementation of programme, training to CBRWs and MRWs, timely submission of reports/returns, *etc.* The State has also not evolved its own norms and yardstick for assessing the implementation of the programme. Thus the achievement/performance in respect of rehabilitation of PWD remains unassessed since the introduction of the scheme in the State. On the shortcomings being pointed out (May 2003) the department accepted the fact (July 2003) and stated that a monitoring and evaluation system is being introduced to assess the achievement in respect of the scheme.

The matter was reported to the Government (May 2003); reply had not been received (September 2003).

3.3.23 Recommendations

For effective implementation of the scheme for welfare of the handicapped in the State, the Government has to take the following steps:

- Implement the various provisions of the PWD Act, 1995.
- Enforce submission of utilisation certificates by the NGOs in respect of funds utilised by them and periodically review their work.
- Evolve a monitoring and evaluation system at the State level as well as the district and block level which is essential requirement for ensuring successful implementation of the scheme in the State.
- Fully utilise the funds provided under various welfare schemes for the benefit of PWD.

SECTION-B – PARAGRAPHS

CIVIL SUPPLIES DEPARTMENT

3.4 Undue financial benefit to carriage contractors

Due to execution of defective agreements, the department failed to realise outstanding hire charges of vehicles amounting to Rs.1.06 crore and extended undue financial benefit to the lessees for periods ranging from one month to seven years and 10 months

Scrutiny of records (March 2003) of the Department of Civil Supplies revealed that the department during the period from June 1995 to July 2001 leased out 20 short chassis and 17 long chassis trucks in its possession to different carriage contractors (lessees) under two years lease agreements for transportation of PDS commodities from the designated Food Corporation of India's depots to the principal distribution centre and fair price shops within the State. Under the agreement lessees were to pay annual hire charge of the vehicles as fixed by the Government. The hire charge for vehicle was fixed at Rs.0.50 lakh *per annum* for short chassis truck and Rs.1.00 lakh for long chassis truck *w.e.f.* June 1995. The rate was later enhanced to Rs.0.54 lakh *per annum* for short chassis truck and Rs.1.40 lakh for long chassis truck *w.e.f.* 16 July 1997. The lease agreement stipulated that the annual hire charges of the vehicles were to be deposited by the lessee in a single or four instalments. However, the agreement neither stipulated the date(s) for payment of the charges nor contained any penal provision for defaulting in payment.

Consequently out of the total amount of Rs.1.56 crore due as hire charges of 37 vehicles (20 short chassis + 17 long chassis) for the leased period from June 1995 to March 2003, the department realised only Rs.50.20 lakh from the lessees leaving an outstanding balance of Rs.1.06 crore (upto March 2003) for periods ranging from one month to seven years and 10 months (**Appendix – XXIII**). This included Rs.39.83 lakh due from 22 vehicles remaining off road and returned to the department. As the vehicles have already been returned to the department the possibility of recovering this amount has further receded. No action was taken by the department other than issue of reminders to recover the outstanding amount.

Thus, execution of defective agreement without safeguarding the financial interest of the Government and inaction in instituting *bakijai* proceeding against the defaulters resulted in non-realisation of revenue of Rs.1.06 crore besides extending undue financial benefit to the lessees.

On the irregularities being pointed out (May 2003) the department while accepting the absence of penal clause or time limit for payment of hire charges of the vehicles in the agreement stated (July 2003) that it is moving the

Government to modify the deed of agreement to include penal action to be taken against the defaulters. Further development is awaited.

The matter was brought to the knowledge of the Government (July 2003); reply is awaited (September 2003).

HEALTH AND FAMILY WELFARE DEPARTMENT

3.5 Extra expenditure due to procurement of K-Othrine at higher rate

The Department of Health and Family Welfare made an extra payment of Rs.24.57 lakh in the purchase of K-Othrine, an anti-malarial chemical

The Health and Family Welfare Department, Government of Arunachal Pradesh sanctioned (March 2002) Rs.14.95 lakh for procurement of K-Othrine an anti-malarial chemical for the year 2001-02 under the centrally sponsored scheme – national malaria programme without specifying quantity. As per the price list of the manufacturer, the maximum retail price of K-Othrine (inclusive of all taxes) was Rs.6500 per 15 litre pack, but the department placed a supply order (March 2002) with a local supplier for supply of 230 litres of K-Othrine at the rate of Rs.6500 per litre instead of Rs.6500 per 15 litre pack. The local firm was chosen even though the firm had no valid insecticide licence or dealership certificate from the manufacturer and the reason thereof has not been furnished. The supplier supplied the entire quantity of K-Othrine (May 2002) at a cost of Rs.14.95 lakh (230 litres x Rs.6500) instead of Rs.1.00 lakh (230 litres x Rs.433.33) thus resulting in extra avoidable payment of Rs.13.95 lakh.

Further scrutiny (February 2003) revealed that the department during the years 1999-2000 and 2000-01 has also procured 175 litres of K-Othrine @ Rs.6500 per litre from four local suppliers. This has resulted in extra avoidable expenditure of Rs.10.62 lakh (Rs.6500 x 175 – Rs.433.33 x 175). The excess payment was facilitated by an infirmity in the sanction that did not specify the quantity and wilful disregard of the tender process. Since the K-Othrine is not a new product and the department had been purchasing the same material for a last couple of years it was not improbable for the department to notice the correct price unless by deliberate default.

While accepting the audit observations, the department stated (September 2003) that the purchase was being made at higher rate for the last three years *i.e.* 1999-2000, 2000-01 and 2001-02 and that such mistake would not occur in future. The reply indicates lack of administrative mechanism within the department to identify such discrepancies within proper time.

3.6 Misappropriation of Government money

Government money was misappropriated to the extent of Rs.10.48 lakh due to shortage of cash balance (Rs.5.32 lakh) and payment without documentary evidences (Rs.5.16 lakh)

Audit scrutiny (May 2003) of the records of the Chief Medical Officer (CMO), Naharlagun, pertaining to the period from May 2002 to April 2003 revealed that as per cash book, the closing cash balance as on 03.02.2003 was Rs.5,94,329 (there being no transaction on 04.02.2003 and 05.02.2003), against which a sum of Rs.62,000 only was found in cash chest (07.02.2003) resulting in shortage of cash of Rs.5,32,329 (Rs.5,94,329 – Rs.62,000). The matter was, however, neither reported to the Police nor to the Government (April 2003). On being pointed out in audit, the CMO stated (May 2003) that the matter would be reported to the Directorate, Health and Family Welfare Department.

Further, as per treasury records, a total amount of Rs.14,82,539 (50 drawals) was drawn between June 2002 and January 2003 but the same was not reflected either in receipt or payment side of cash book as required under the rules. Out of above drawals, payments of Rs.1,51,712 were not supported by any documentary evidence either by acquaintance or vouchers. Again, it was seen in audit that between October 2002 and January 2003, out of a total sum of Rs.3,64,458 drawn from treasury and entered in cash book, documentary evidence in support of the payment of Rs.3,64,458 was neither on record nor could be shown to audit (May 2003). This resulted in inflated payment of Rs.5.16 lakh being shown in the cash book and thereby reducing the closing balance to that extent.

Thus, there was a misappropriation of Government money aggregating Rs.10,48,499 (Rs.5,32,329 + Rs.1,51,712 + Rs.3,64,458).

The misappropriation was facilitated due to negligence and non-adherence to the fundamental principles of Financial Rules in maintenance of cash book namely:

- Cash book was lying in the personal custody of the cashier and was not produced to the CMO regularly.
- Disbursement was shown in the cash book without any documentary evidence in support of payment.
- Non-recording of detailed analyses of cash balances in cash book at the end of the month.
- Non-verification of the closing balance of the cash book with actual cash in the cash chest.

A detailed check of cash book with the drawal register and vouchers may be conducted by the department to find out the actual shortage of cash.

On being pointed out (June 2003), the Government stated (July 2003) that the irregularities reported are being looked into and appropriate action would be initiated against the responsible official. Further development is awaited.

HOME DEPARTMENT

3.7 Unproductive expenditure

Expenditure of Rs.1.57 crore was unproductive due to non completion of construction of 54 quarters even after placement of 100 per cent of the fund with the executing agencies. Besides, there was misuse of Government funds of Rs.10.47 lakh

The Government of Arunachal Pradesh, Home Department accorded (March 1999) administrative approval and expenditure sanction of Rs.2.04 crore for the construction of 70 residential quarters of 435 sq. ft each at Itanagar. Accordingly, the department during the period from March 1999 to March 2002 placed funds of Rs.1.96 crore (Rs.60.58 lakh during 1998-99, Rs.51.40 lakh during 1999-2000, Rs.34.00 lakh during 2000-01 and Rs.50.08 lakh during 2001-02) with the Public Works Department (PWD). Similarly an amount of Rs.7.79 lakh (Rs.3.29 lakh during 1999-2000, Rs.2.00 lakh during 2000-01 and Rs.2.50 lakh during 2001-02) was placed with the Power Department, Arunachal Pradesh for supply of electricity. As per estimate, stipulated time for completion of the work was three years.

Scrutiny of records (May 2003) of the Inspector General of Police (IGP), Itanagar revealed that out of 70 quarters, PWD could complete and hand over only 16[#] quarters (23 per cent) to the department upto July 2003 although the works started in March 1999. Work on 38 quarters (54 per cent) was in progress and the work on the remaining 16 quarters (23 per cent) was yet to start (July 2003). It was also noticed that the Superintendent of Police (SP), Housing during physical verification of the works (June 2002) observed in his inspection report that the physical progress observed/actually on ground was not commensurate with the expenditure already incurred by the executing agency. SP also stated that against the fund of Rs.1.96 crore released by the Police Department the executing agency has shown an expenditure of Rs.1.86 crore only and Rs.10.47 lakh released by Police Department remained unaccounted for. The SP also observed that the amount of Rs.10.47 lakh might have been misutilised by the Executing Engineer, Capital Division 'B' by transferring the funds to other works without the approval of the Police Department. Inspection report of SP (Housing) was forwarded (June 2002) to the Commissioner (Home), Government of Arunachal Pradesh. But no action had yet been initiated (July 2003). It was, however, seen that for completion

[#] Eight quarters handed over in March 2001 and another eight quarters handed over in August 2001 after electric supply and allotted to the police personnel.

of these works the division in January 2002 had submitted revised estimate of the works for Rs.2.94 crore to the Superintending Engineer, Capital Construction Circle for approval and the revised estimate of the work has not yet been sanctioned. Upto March 2003, the PWD had incurred an expenditure of Rs.1.86 crore against the work.

Thus, unplanned execution of works by the PWD after receipt of the entire amount coupled with failure of the Home Department to take timely action on the report submitted by the inspecting SP for tardy implementation of the works resulted in un-productive expenditure of Rs.1.57 crore[#] on the construction of 54 quarters due to delay in completion of the works for a period of over 17 months. Practically after June 2002, no work was carried out by the PWD and the work was held up for non-sanctioning of the revised estimate of the work as it was evident that between June 2002 and March 2003, the PWD had not incurred any expenditure against the work except for Rs.0.02 lakh only. This indicated lack of co-ordination between the two departments regarding completion of the works. The delay in completion of the works would further escalate the cost of completion of the work originally estimated to cost Rs.2.04 crore in March 1999. Besides, Rs.10.47 lakh was reported to be misutilised by the executing agency and the police personnel were deprived of the benefit of residential quarters due to delay in completion of the works. Unproductive expenditure was facilitated due to non-completion of the works as per work programme and failure of the department to take proper action on the report of the SP (Housing).

The matter was reported to the Government/department (June 2003); reply is awaited (September 2003).

3.8 Unnecessary drawal resulted in diversion and locking up of funds by the Inspector General of Police (IGP) at Itanagar

Irregular expenditure of Rs.79.69 lakh was incurred on construction of rest room cum toilet for gents in 48 police stations apart from diversion and locking up of funds for more than one year and two months

Pursuant to the need of upgradation of standard of Police Administration, the Eleventh Finance Commission (EFC) recommended Rs.7 crore as grants for Government of Arunachal Pradesh. The grant was to be paid during the period of five years (2000-05). Out of the fund of Rs.7 crore earmarked for various sectors, amounts of Rs.1.79 crore, Rs.1.25 crore and Rs.31 lakh were for purchase of weapons, security equipment and for construction of rest room cum toilet for women respectively. The action plan for implementation of the

[#] Funds released during 1998-99 to 2001-02
for construction of 70 quarters (Rs.196.07 lakh + Rs.7.79 lakh) = Rs.203.86 lakh
Proportionate funds for construction
of 54 incomplete quarters (Rs.203.86 lakh × 54)/70 = Rs.157.26 lakh

work was approved by the State Level Empowered Committee (SLEC) in June 2001. EFC grants released by the Ministry of Finance, Government of India to State Government during 2000-02 was Rs.2.82 crore (2000-01 – Rs.70 lakh and 2001-02 – Rs.2.12 crore). The grants released during 2002-03 were not available on records.

The administrative approval and expenditure sanction was accorded (March 2002) by the Government of Arunachal Pradesh, Home Department for construction of rest room cum toilet in 48 police stations for gents and as against above sanction, a sum of Rs.79.69 lakh was drawn (March 2002) in bank draft and subsequently kept in deposit-at-call receipt (DCR) in August 2002 by the Inspector General of Police (IGP), Arunachal Pradesh without the approval of Finance Department. The amount was still retained in DCR (May 2003).

Scrutiny of records (May 2003) of the IGP, Itanagar revealed that the EFC has recommended grants for construction of rest room cum toilet for women police and the action plan approved by the SLEC in June 2001 also accorded approval for construction of rest room cum toilet for women police instead of gents police personnel.

As the EFC and SLEC had not recommended construction of rest room cum toilet for gents, the department modified the Action Plan and submitted (December 2001) to SLEC for approval. Both Government of India, Ministry of Finance in their letter dated 15.02.2002 and SLEC in their meeting held on 27.03.2002 rejected the modification on the ground that EFC had not recommended grants for construction of rest room for gents police personnel. Despite the above, the police department drew the amount of Rs.79.69 lakh (March 2002) from the funds meant for purchase of weapons (Rs.1.79 crore) and security equipment (Rs.1.25 crore).

Thus, Rs.79.69 lakh was not only unauthorisedly diverted inspite of objections raised by SLEC and Government of India, Finance Department but the amount was retained in DCR for a period of over one year two months in contravention of the financial rules. The action is fraught with the risk of misappropriation as the amount was kept outside the Government accounts without the approval from competent authority beside locking up of fund. Due to undue delay in implementation of the work, the department failed to accelerate the upgradation standard of police administration.

In reply, while admitting the audit observation, the department (May 2003) stated that the diversion of Rs.79.69 lakh was made from the allocation of arms and ammunition and security equipments since police station building lacked the facility of rest room cum toilet for police personnel which was felt necessary for rest of the police personnel. Reply, however, remained silent regarding the non-utilisation of fund of Rs.79.69 lakh.

The matter was reported to the Government (June 2003); reply has not been received (September 2003).

HORTICULTURE DEPARTMENT

3.9 Avoidable extra expenditure

The District Horticulture Office, Bomdila incurred avoidable extra expenditure of Rs.10.41 lakh due to procurement of 29,742.85 Kg of barbed wire despite having 47,889.89 Kg of barbed wire in stock. The amount of Rs.32.32 lakh on account of misappropriation and loss, etc., has not yet been recovered

During March 2002, DHO, Bomdila purchased 29,742.85 Kg of barbed wire valued Rs.10.41 lakh (@ Rs.35 per Kg) against the scheme 'Control of shifting cultivation'. The entire quantity was utilised against the said scheme. Scrutiny of records (June 2003) of DHO, Bomdila, however, revealed that between 1991-92 and 1995-96, DHO, Bomdila had procured 47,889.89 Kg of barbed wire and the material was lying idle in stock (June 2003). Thus the procurement of 29,742.85 Kg of barbed wire was done without checking the stock in hand leading to avoidable extra expenditure of Rs.10.41 lakh (Rs.35 x 29,742.85 Kg).

It was also noticed that the Government had formed five boards[#] from time to time to verify the cash, stores and other records of the District Horticulture Office (DHO), Bomdila. The boards had detected misappropriation of fund of Rs.13.51 lakh and loss of stores valued Rs.19.19 lakh. The department has till date (June 2003) recovered an amount of Rs.0.38 lakh only leaving a recoverable balance amount of Rs.32.32 (Rs.13.51 lakh + Rs.19.19 lakh – Rs.0.38 lakh) besides interest due.

The matter was reported to Government (July 2003); but no reply or comments have been received (September 2003).

[#] 1) 1st board - formed on 22 December 1994, 2) 2nd board - formed on 13 November 1995, 3) 3rd board - formed on 25 September 1996, 4) 4th board - formed on 30 July 1999 and 5) 5th board - formed on 21 May 2002

STATE LOTTERIES DEPARTMENT

3.10 Non deduction of tax at source (TDS) on commission

Non deduction of tax at source (TDS) on commission paid in cash to the agent resulted in violation of provisions of Income Tax Act, 1961 and avoidable liability of interest and penalty amounting to Rs.4.89 lakh and Rs.24.94 lakh respectively

Section 194G(1) of the Income Tax Act, 1961 states that ‘any person who is responsible for paying to any person, who is or has been stocking, distributing, purchasing or selling lottery ticket, any income by way of commission, remuneration or price (by whatever name called) on such ticket in an amount exceeding Rs.1000 shall, at the time of credit of such income to the account of the payee or at the time of payment of such income in cash or by issue of a cheque or draft or by any other mode, deduct Income Tax thereon @ 10 per cent’. If any person fails to deduct or pay the whole or any part of the tax, the responsible person shall be liable to pay, by way of penalty, a sum equal to the amount of tax and interest @ 15 per cent in terms of Section 271C and Section 201(1A) respectively of the Act.

The State Lottery Department during the period from May 2001 to November 2002, paid Rs.2.49 crore as ‘agent’s commission’ to a sole distributor of tickets of Arunachal Pradesh State Lottery Department. This amount was realised by deducting 20 per cent from the prize money. It was seen in audit that the department did not deduct the tax amounting to Rs.24.94 lakh on the prize money paid as commission to the sole distributor.

When the matter was taken up in audit (December 2002 and February 2003), the department (April 2003) and Government (July 2003) replied that 20 per cent deducted and paid to ticket selling agent (TSA) was not income as this was being paid toward expenses on administration/publicity on sales promotion and thus did not come under the purview of income tax. The Government further stated (July 2003) that as the distributor had paid income tax during 2001-02 it would not be fair to state that the sole distributor was not paying income tax under the rules. The reply of the department/Government is not tenable as in terms of the scheme guidelines of the Government of September 1994, the 20 per cent of prize money paid to the sole distributor was commission and was hence taxable under Section 194G(1) of the Act. Further, payment of tax by the distributor does not absolve the department from the obligations cast upon it to deduct tax at source under the Act *ibid*.

Thus, the department not only failed to fulfil the statutory obligations cast upon it to deduct tax at source under Section 194G(1) of the Act but also made itself liable to pay interest of Rs.4.89 lakh (upto May 2003) under Section 201(1A) of the Act besides inviting the penalty of Rs.24.94 lakh under Section 271C of the Act *ibid*.

**HOME, ANIMAL HUSBANDRY & VETERINARY AND
RURAL WORKS DEPARTMENTS**

3.11 Failure to respond to audit objections and compliance thereof

405 paragraphs pertaining to 125 Inspection Reports involving Rs.53.31 crore concerning Home, Animal Husbandry & Veterinary and Rural Works Departments were outstanding as on June 2003. Of these first replies to 12 Inspection Reports containing 68 paragraphs had not been received

Principal Accountant General (Audit) conducts periodical inspection of Government departments to test check transactions and verify 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 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 Principal Accountant General to ensure rectificatory action in compliance of the prescribed rules and procedures and accountability for the deficiencies, lapses, *etc.*, noticed during inspection. The Heads of offices and next higher authorities are required to attend to the observations contained in the IRs and rectify the defects and omissions promptly and report compliance to the Principal Accountant General. Serious irregularities are also brought to the notice of the Head of the department by the office of the Principal 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.

Inspection Reports issued from 1983 upto March 2003 pertaining to 72 offices of three departments disclosed that 405 paragraphs relating to 125 IRs involving an amount of Rs.53.31 crore remained outstanding at the end of June 2003. Of these, 30 IRs containing 57 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 68 paras for 12 IRs pertaining to 9 offices issued between 1994-95 to 2001-02.

As a result, some of the important irregularities pertaining to 230 paragraphs (26 paragraphs + 76 paragraphs + 128 paragraphs) involving an amount of Rs.48.11 crore (Rs.2.89 crore + Rs.8.99 crore + Rs.36.23 crore) commented upon in the outstanding Inspection Reports of the three departments have not been settled as of June 2003 as indicated below :

Table 3.8

Sl. No.	Nature of Irregularities	Home Department		Animal Husbandry and Veterinary Department		Rural Works 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	4	1.45	3	159.07	1	6.07
2.	Non-observance of rules relating to custody and handling of cash, position and maintenance of Cash Book and Muster Roll	-	-	-	-	2	36.41
3.	Delay in recovery or non-recovery of department receipts, advances and other recoverable charges	-	-	15	28.50	11	127.73
4.	Drawal of funds in advance of requirements resulting in retention of money in hand for long periods	3	84.14	36	543.04	2	228.94
5.	For want of D C C bills	4	195.80	13	149.02	-	-
6.	For want of APRs	3	4.21	-	-	2	843.72
7.	Non-maintenance of proper stores accounts and non-conducting of physical verification of stores	-	-	-	-	7	391.60
8.	For want of sanctions	9	2.97	1	1.04	-	-
9.	Over payment or inadmissible payments noticed in audit not recovered	3	0.05	4	4.95	-	-
10.	Payment of grants in excess of requirement	-	-	1	11.71	-	-
11.	Sanction to write off loans, losses, etc., not received	-	-	3	2.12		
12.	Payees receipts not received	-	-	-	-	1	414.67
13.	Extra avoidable expenditure	-	-	-	-	17	150.94
14.	Irregular and unauthorised expenditure	-	-	-	-	26	916.30
15.	Excess/Extra expenditure	-	-	-	-	9	48.12
16.	Locking up of Government funds/Idle Outlay	-	-	-	-	21	264.96
17.	Wasteful expenditure	-	-	-	-	19	48.49
18.	Expenditure in excess over sanction amount	-	-	-	-	2	81.60
19.	Injudicious expenditure	-	-	-	-	8	63.78
	Total	26	288.62	76	899.45	128	3623.33

Source: Department

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 Principal Accountant General, and the Heads of the departments, 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 Principal Accountant General. 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.

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

It is recommended that the Government 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.

The matter was reported to the Government (August 2003); reply has not been received (September 2003).

FINANCE DEPARTMENT

3.12 Misappropriation, losses, etc.

Delay in settlement of 32 cases of losses, misappropriation (loss – Rs.845.69 lakh and misappropriation – Rs.0.34 lakh) etc., by eight departments resulted in outstanding balance of Rs.8.46 crore for periods ranging from two months to 43 years

Thirty two cases of misappropriation, losses, etc., of Government money aggregating Rs.8.46 crore reported to audit were pending settlement for periods ranging from two months to 43 years at the end of June 2003.

Department-wise and case-wise analysis of outstanding cases in which final action was pending as of 30 June 2003 is given in **Appendix – XXIV**.

The year-wise and department-wise, position of misappropriation, losses, etc., along with period of pending as of 30 June 2003 is given in table 3.10 and 3.11 below:

Table 3.9

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 1990-91	15	10.00	1	0.34	16	10.34
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

(1)	(2)	(3)	(4)	(5)	(6)	(7)
1999-2000	1	4.44	-	-	1	4.44
2000-01	3	815.55	-	-	3	815.55
2001-02	-	-	-	-	-	-
2002-03	2	4.64	-	-	2	4.64
Total	31	845.69	1	0.34	32	846.03[#]

Source : Departments

Table 3.10

Sl. No.	Department	Number of cases	Period of pendency	Amount (Rupees in lakh)
1.	Education	4	5 years to 8 years	3.37
2.	Forest [#]	13 ^ψ (2 new cases)	16 years (4 months & 2 months)	834.76
3.	General Administration	1	24 years	0.03
4.	Public Works	6	10 years to 16 years	2.93
5.	Supply and Transport	5	16 years to 43 years	1.21
6.	Information and Public Relation	1	14 years	2.65
7.	CWC [#]	1	8 years	Amount not intimated
8.	Public Health Engineering	1	6 years	1.08
	Total	32		846.03

Source : Departments

Out of 32 numbers of unsettled cases, departmental/police action was awaited in 11 cases, seven cases were pending in the court of law and 14 cases were awaiting recovery/write off order from Government.

The matter was reported to Government (August 2003); reply is awaited (September 2003).

[#] Number of cases in which amount not intimated – two (Forest – one, CWC – one).

	<i>(Rupees in lakh)</i>	
	<i>No. of cases</i>	<i>Amount</i>
<i>As per last Report</i>	<i>11</i>	<i>830.12</i>
<i>Add 2 new cases</i>	<i>2</i>	<i>4.64</i>
Total	13	834.76