Chapter 4

Functioning of Government Department(s)

Animal Husbandry and Fisheries Department

4.1 Department of Animal Husbandry and Veterinary Services

Executive summary

The Department of Animal Husbandry and Veterinary Services is responsible for improving the productivity of livestock through scientific breeding and providing healthcare to protect them from disease. An audit of the department covering the period 2005-10 was conducted between April 2010 and June 2010 to examine the economy, efficiency and effectiveness of its significant activities keeping in view its mandate.

The audit of the department showed the following shortcomings:

- ➔ Large number of vacancies and irrational distribution of veterinary institutions across the State handicapped the department in effective implementation of its programmes and delivery of healthcare.
- ➔ The department's management of its vast tracts of farmland in several districts was ineffective as deployment of watch and ward was inadequate and irrational. Large areas of farmland had been encroached upon and some of the encroachments were regularised illegally.
- ➔ Conservation of indigenous breeds of cattle was not given priority and, consequently, the population of a few indigenous breeds showed a negative growth as per the 2007 census.
- ➔ The implementation of the Centrally sponsored schemes was tardy as the achievements were far below the targets fixed.
- ➔ Fodder and fodder seed production were not given priority by the department, despite availability of land.
- ➔ As there was no monitoring of the implementation of various schemes and activities, the department failed to identify shortcomings and initiate corrective action.

4.1.1 Introduction

Karnataka has a livestock population of 3.28 crore and poultry population of 4.24 crore as per the provisional figures of 2007 census. The State produces annually 48.21 lakh tonnes of milk, 1.19 lakh tonnes of meat and 290.84 crore eggs.

The Department of Animal Husbandry and Veterinary Services (department) was bifurcated from the Department of Agriculture in 1945 with the following main objectives:

- To provide healthcare to domestic animals and poultry in the State and to protect them from disease,

- To improve productivity of livestock and poultry through scientific breeding, feeding and management,
- To provide extension services and practical training facilities to the farmers in advanced animal husbandry practices, and
- To conduct livestock census once in five years, besides annual integrated sample survey for estimating the production of major livestock products *viz.,* milk, meat, wool and eggs and by-products.

There are eleven[1] Livestock Farms, three[2] Frozen Semen Production and Distribution Centres, five[3] Pig Breeding Stations (PBSs), three[4] Poultry Farms functioning in the State Sector. There are 362 Veterinary Hospitals, 1,941 Veterinary Dispensaries, 1,181 Primary Veterinary Centres, 230 Artificial Insemination Centres, 138 Key Village Scheme Sub-centres, 174 Mobile Veterinary Centres and three Regional Laboratories functioning in the District Sector.

4.1.2 Organisational set-up

At the State level, the department is headed by a Commissioner functioning under the overall control of Principal Secretary, Animal Husbandry and Fisheries. The Commissioner is assisted by a Director, two Additional Directors, five Joint Directors (JDs), two Deputy Directors (DDs) and two Assistant Directors (ADs) in the Commissionerate. There are 41 Drawing and Disbursing Officers[5] (DDOs) implementing the State Sector programmes. Each of the Livestock Farms is headed by a DD, while the PBS is headed either by a Veterinary Officer or an AD. The poultry farms are headed by DDs.

At the district level, the administrative control of all the departmental institutions in the district vests with the Chief Executive Officer (CEO) of the Zilla Panchayat (ZP). Each district is headed by a DD who is assisted by ADs. Each taluk is headed by an AD assisted by Veterinary Officers, Veterinary Supervisors and Veterinary Inspectors.

4.1.3 Audit objectives

The objectives of the audit were to obtain assurance as to whether

(i) institutional capacity was adequate to achieve the desired objectives and the institutional mechanisms functioned optimally;
(ii) the department complied with the relevant rules, laws and regulations while discharging its mandated functions; and
(iii) schemes and activities undertaken by the department delivered the results expected of them efficiently and effectively.

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[1] Two at Hesaraghatta, one each at Ajjampura, Bankapura, Dharwad, Kodagu, Kunigal, Kunikarahalli, Kudige, Munirabad and Tegur.
[2] State Livestock Breeding and Training Centre-Hesaraghatta, Livestock Breeding Farm-Hesaraghatta and Livestock Breeding &Training Centre-Dharwad
[3] PBSs at Bangarapet, Hesaraghatta, Kalasa, Koila, and Kudige
[4] State Poultry Farm at Hesaraghatta and Regional Poultry Farms at Malavalli and Gangavathi
[5] 19 DDs, 13 ADs and Nine Veterinary Officers

4.1.4 Audit sample, scope and methodology

The audit covered the transactions of the department for the period 2005-10. Out of 1,311 DDOs in the State and District sectors, 18 DDOs under the State Sector and 45 DDOs under the District sector were selected for test-check. The State Sector sample covered the Directorate, six out of 11 Livestock Farms, one out of three Poultry Farms, three out of five Pig Breeding Stations, all the three Frozen Semen Production and Distribution Centres, one Joint Director (Statistics) and one Veterinary Medical Store. The sample for the District Sector covered six out of 29 DDs, 11 out of 362 Veterinary Hospitals, 20 out of 1,941 Veterinary Dispensaries and eight out of 174 Mobile Veterinary Centres.

The audit commenced with an entry conference with the Principal Secretary, Animal Husbandry and Fisheries in April 2010, wherein the scope, audit objectives and criteria for the audit were explained. Field audit of the selected offices/units was conducted between April 2010 and June 2010. The audit comprised examination of records as well as interaction with the concerned officials of the department. The audit findings were discussed with the Principal Secretary, Animal Husbandry and Fisheries in the exit conference held on 9 September 2010.

Audit findings

4.1.5 Institutional weaknesses

Every organisation needs to have a sound infrastructure to manage and achieve its mandate and policies. This would ensure soundness and appropriateness of the internal systems and controls in its key areas of activities and drive the organisation towards the objectives in an economical, efficient and effective manner. Some of the areas, where infrastructural deficiencies were observed are discussed in the succeeding paragraphs.

4.1.5.1 Shortage of manpower

Significant vacancies in the posts of Veterinary Officers and support staff

The department had a sanctioned strength of 17,429 posts, of which 5,282 remained vacant as of May 2010. Of these vacancies, 979 were in the cadre of Veterinary Officers (VOs) and 3,410 in the cadre of support staff consisting of Veterinary Supervisors (VSs), Veterinary Inspectors (VIs) and Veterinary Assistants (VAs) as shown in **Table-4.1.**

Table-4.1: Vacancy position

Name of the post	Sanctioned strength	Working strength	Vacancy	Percentage of vacancy
Assistant Director	488	457	31	6
Veterinary Officers	2,392	1,413	979	41
Veterinary Supervisors	309	258	51	17
Senior Veterinary Inspectors	2,102	1,609	493	23
Veterinary Inspectors	1,816	1,301	515	28
Veterinary Assistants	7,271	4,920	2,351	32

Source: Information furnished by the department

Regarding the acute shortage of VOs, the Commissioner stated (October 2010) that Government had framed Special Recruitment Rules and given (April 2010) permission for appointment of 487 VOs in a phased manner. Applications were invited for filling up of 287 posts in the first phase and the draft selection list for 213 eligible candidates was also finalised. However, these 213 posts could not be filled up due to a stay issued (May 2010) by the Karnataka Administrative Tribunal on publication of the final list of appointees. While assuring that action would be taken to announce the final list soon after the stay was vacated, the Commissioner informed that 86 retired VOs engaged on contract basis continued to work in the department.

After filling up 213 posts of VOs, the number of vacancies in the cadre of VOs would still be 766 (32 *per cent*). Besides, no action had been taken to fill up the vacancies in the cadres of support staff. Non-filling up of these vacancies handicapped the department in effective delivery of adequate healthcare to the livestock population. While majority of the veterinary institutions across the State faced acute shortage of staff, the staff deployed on Rinderpest Eradication Scheme (RES) remained idle for over six years after the closure of the scheme as discussed below:

Idle manpower

The Organisation of International Epizootis (OIE), Rome declared India free from rinderpest disease with effect from 27 May 2004. However, the existing 68 posts sanctioned for RES were not abolished or transferred to the needy units. The Government approved (May 2009) transfer of 11 posts from the State Sector to the District Sector during May 2009. The details of staff-in-position against the remaining 57 posts as of March 2010 are shown in **Table-4.2.**

Table-4.2 : Idle staff on RES

Cadre	Non-plan		Plan	
	Sanctioned	Staff in position	Sanctioned	Staff in position
Group A	8	7	1	1
Group B	6	6	-	-
Group C	20	20	-	-
Group D	16	8	6	2
Total	**50**	**41**	**7**	**3**

Source: Information furnished by the department

The department had not redeployed the staff and utilised their services fruitfully. The Commissioner replied (October 2010) that action had been initiated to shift these posts to the needy institutions.

Thus, continuation of these posts even after closure of RES resulted in 44 staff members remaining idle for over five years, rendering the expenditure of ₹ 4.15 crore on their pay and allowances unproductive.

4.1.5.2 Non-deployment of personnel with requisite qualification

Manpower in Frozen Semen Stations did not conform to prescribed qualification

The Ministry of Agriculture, Government of India (GOI) had prescribed (April 2005) Minimum Standards for Preservation (MSP) of frozen semen to ensure production of good quality semen. MSP prescribed the manpower structure for production of semen depending on the dosages of semen produced annually. As per MSP norms, each of the three Semen Production and Distribution Centres under the control of the department was to have four officers of different ranks trained in semen protection with the qualification of M.V.Sc in Animal Production/Livestock Protection, besides three Laboratory Technicians and other supporting staff.

Audit observed that each of the two semen production and distribution centres at Hesaraghatta had only one officer with M.V.Sc qualification against four as per MSP. The other centre at Dharwad had doctors only with B.V.Sc qualification. DD, State Livestock Breeding and Training Centre (SLBTC), Hesaraghatta stated (June 2010) that Government did not pay any extra remuneration to officers working in the farm and no officer with higher qualification was, therefore, interested in working in the farm. AD, Dharwad observed (June 2010) that vacancies in the posts of VO, Lab Technician and other supporting staff had been brought to the notice of higher authorities during May 2006 to November 2009. Thus, not having enough qualified manpower can have adverse impact for the success of the breeding programme as a whole.

4.1.5.3 Regional imbalances in establishing veterinary institutions

Establishment of veterinary institutions not driven by livestock population

The Government had constituted (April 2000) a High Power Committee (HPC) to study the regional imbalances and advise it on measures to redress the imbalances. The report submitted (June 2002) by the HPC highlighted significant shortages of veterinary institutions in 13 districts[6] and acute shortage in four[7] of these districts. The report urged the Government to set up 318 additional institutions.

The State had 4,110 veterinary institutions in 29 districts as of March 2010. The livestock population in the State as per March 2007 census (provisional) was 7.52 crore or 1.69 crore translated into cattle units[8]. Thus, there was one veterinary institution on an average for every 4,112 cattle units. On the basis of this average number of cattle units, the number of veterinary institutions in each district was assessed in audit. In North Karnataka, while seven districts had a shortage of 342 veterinary institutions, six had 90 surplus institutions. Similarly, in South Karnataka, 11 districts had 495 surplus institutions while nine districts had a shortage of 70 institutions.

Thus, the establishment of veterinary institutions in the State was not driven by the availability of livestock population. The Commissioner replied (October 2010) that 69 and 169 new dispensaries were started in backward taluks as per Government orders of March 2007 and August 2007 and 51.5 *per cent* of these new dispensaries had been sanctioned for districts facing shortage of veterinary institutions. It was further stated that shifting of the veterinary institutions after their establishment was very difficult due to resistance from the farmers and priority would be given to the districts facing shortage while sanctioning new veterinary institutions. The reply was not

[6] Bangalore (Rural), Bagalkot, Belgaum, Bellary, Bidar, Chamarajanagar, Chitradurga, Hassan, Koppal, Raichur, Shimoga, Tumkur and Udupi

[7] Bangalore (Rural), Belgaum, Bellary and Raichur

[8] One cattle unit comprises (i) cattle, buffalo and equine : 1 number (ii) sheep and goats : 10 numbers (iii) pigs: 5 numbers and (iv) poultry: 100 numbers

acceptable as the shortages and surpluses were assessed by Audit based on veterinary institutions existing as of March 2010 including those created in 2007. The department's inability to shift the surplus institutions to the needy places would only compound the problem of shortage of staff when new veterinary institutions are sanctioned in future.

4.1.5.4 Inefficient watch and ward for farm land

Encroachment of farm land

The departmental farm at Ajjampur was in possession of 55,292 acres of Amruth Mahal Kaval[9] lands at 59 villages in six[10] districts. These lands were to be preserved as grazing lands and used for only fodder production. The remaining ten departmental farms had 5,418.55 acres of land. However, 21,098.05 (38 *per cent*) acres of kaval lands had been encroached upon (August 2009). The department did not have information such as details of encroachers, duration of encroachments, *etc*. Although the Revenue Department reiterated (February 1995 and December 2002) that there was no provision either to regularise the encroachments of kaval lands, or sanction these to farmers, Tahsildar of Channarayapattana taluk and the Committee for regularising the unauthorised occupation illegally regularised 340.07 acres of kaval lands between 1994 and 2003 in three villages. Besides these kaval lands, 233.18 acres out of 1,116.39 acres of farm land in the Livestock Breeding Farm at Koila had also been encroached upon. While the Commissioner requested (April 2007 and February 2009) the Deputy Commissioners (DCs) of the districts concerned to arrange for the survey of the departmental lands and eviction of the encroachers, the details of action taken, if any, by the DCs were not furnished by the department.

Kavalagaras were appointed for watch and ward of these kaval lands. While 113 of them were working in 37 out of 59 villages, there was no watch and ward for 24,919.50 acres (45 *per cent*) of kaval lands in the remaining 22 villages. According to the conditions prescribed (February 2008) by the Government for appointment of Kavalagaras, each Kavalagara was to be appointed for every 400 acres of land and was to be allotted two acres to make a living by growing crops other than commercial crops. Every Kavalagara was to be engaged in fodder production, besides maintenance of the farms. However, it was seen that the distribution of the kaval lands among these Kavalagaras in 37 villages was uneven and as a result, the extent of land entrusted to a Kavalagara ranged from 9.08 acres in Chikkathekkalpatti village to 1,907.28 acres in Hirekere village. As the department failed to implement Government guidelines, 45 *per cent* of the kaval land had no watch and ward. It was also observed that encroachment had taken place even in villages where Kavalgaras were appointed, indicating ineffective watch and ward arrangements and ineffective monitoring by the department.

The Government had leased (September 1988) 740 acres of kaval land in Channarayapattana taluk to Mysore Minerals Limited, Bangalore (MMC)[11] for

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[9] These lands have been reserved as free pasture for raising the indigenous cattle breed, Amruth Mahal, which requires vast grazing areas

[10] Chickmagalur, Chitradurga, Davanagere, Hassan, Mandya and Tumkur

[11] A State Government company

extracting chromite ore. Although the lease had expired in October 1996, the company continued to extract chromite ore from these kaval lands without paying the lease rent of ₹ 5 lakh per annum from November 1996. Joint Director stated (June 2010) that the department had requested Government to cancel the lease and a decision in this regard was pending with Government. It was also stated that MMC would be directed to pay the dues of ₹ 2.57 crore (upto June 2010 including penal interest).

Thus, management of the departmental land was not effective, resulting in encroachments and utilisation of farm land for other than the intended purposes.

4.1.5.5 Institutional weaknesses in the State Implementing Agency

Weak implementing agency for Centrally sponsored schemes

In October 2000, the GOI launched the fully funded Centrally sponsored scheme of National Project for Cattle and Buffalo Breeding (NPCBB). As assistance provided under Centrally sponsored schemes often failed to reach the user agency in time, GOI instructed the Government to designate a State Implementing Agency (SIA) outside the department for receiving funds directly from GOI and implementing the scheme. The breeding infrastructure was also to be transferred by the department to the SIA to enable it to develop into a specialised professional semi-autonomous agency in cattle and buffalo rearing.

In pursuance of this, the State Government established the Karnataka Livestock Development Agency (KLDA) in December 2002. The Government, however, directed KLDA to implement NPCBB through the existing institutions functioning under the administrative control of the department without any autonomy for its functioning. Further, as per the guidelines, KLDA was to be manned by a core group of professionals headed by an animal breeding/reproduction specialist as its Chief Executive Officer. KLDA's staff structure consisted of an Additional Director of the department acting as Ex-officio Project Director, one AD, two VOs and skeleton support staff. Implementation of the special package for providing supplementary avenues of income to the farming population in six suicide-prone districts sanctioned (September 2006) by GOI was also entrusted to KLDA despite its weak institutional mechanism. Government stated (January 2011) that it was not possible to provide autonomy to KLDA due to shortage of staff. The reply was not tenable as creation of KLDA without autonomy was more a reflection of the need to receive funds from GOI than by the department's commitment towards sustainable animal husbandry. This was evidenced by serious slippages in implementation of NPCBB and the special package as discussed separately in the review.

4.1.5.6 Monitoring mechanism and internal audit

Ineffective monitoring mechanism

Monitoring of the implementation of the Centrally sponsored schemes and other departmental activities was ineffective. The Departmental Hand Book prescribes that the officers nominated by the Commissioner are to inspect the accounts and other records of the offices of the department and review the developmental works and the functioning of the veterinary institutions in the

State. These nominated officers are to send their inspection reports to the Commissioner/CEOs of the ZPs. Although the Commissioner appointed (April 2007) the nodal officers, no inspection was conducted by these officers (September 2010) and monitoring of the various activities of the department evidently suffered. Besides, internal audit of the accounts of the DDOs was also not conducted regularly. Internal audit was in arrears for periods ranging from 1 to 4 years in respect of departmental farms, 2 to 5 years in the case of Frozen Semen Production and Distribution Centres and 2 to 5 years in respect of PBSs. Thirteen DDOs were not covered by internal audit during 2005-10. Non-functioning of the monitoring system resulted in persistent shortfall in achievement of targets under the Centrally sponsored schemes, ineffective management of departmental farms, imbalances in availability of veterinary institutions for providing healthcare to livestock, *etc*.

4.1.5.7 Breeding policy not revised

Delay in revision of the breeding policy

The Karnataka State Cattle Breeding Policy was approved by the Government in 1980. Audit observed that the existing cattle breeding policy had not been revised and had become outdated as many aspects of the policy were not relevant. For example, one of the cattle breeds namely Red-Dane recommended for propagation in Raichur, Bellary, Bangalore and Mysore districts was not available in the State. The buffalo breed Murrah which was being promoted by the department did not find a place in the existing cattle breeding policy. The Commissioner replied (October 2010) that workshops were being organised to elicit the opinion of farmers to the revised draft breeding policy finalised in February 2010 and that Government's approval to the revised policy would be obtained. Absence of a clear-cut breeding policy handicapped the department in focusing on realising the objective of productivity of livestock and poultry through scientific breeding, feeding and management.

4.1.6 Compliance issues

The mandated activities of an organisation are to be carried out according to laid down rules and regulations to give reasonable assurance regarding economy, efficiency and effectiveness. Adherence to codes and manuals minimises the risk of errors and irregularities and drives the organisation towards its objectives with optimum use of resources. Some of the areas where Audit observed non-compliance with the laid down rules and regulations are discussed in the succeeding paragraphs.

4.1.6.1 Budget and Financial Reporting

Persistent huge savings under Plan

The activities of the department under the State Sector are financed through the State budget under the heads of account "2403-Animal Husbandry" and "4403-Capital outlay on Animal Husbandry". Besides the Centrally sponsored schemes implemented by KLDA which receives funds directly from GOI, the department implements other Centrally sponsored schemes *viz.,* Animal

Health Statistics and Livestock Census[12], Rashtriya Krishi Vikas Yojana[13] (RKVY), Assistance to Poultry Farms[14] and Assistance to State for Controlling Animal Diseases[15] for which GOI releases funds to the State Government. The Plan budget provision made by the State Government includes its share and anticipated releases from GOI for these Centrally sponsored schemes. The Commissioner allots the Plan and Non-plan resources provided by the Finance Department (FD) among the DDOs under his control.

The State Government releases block grants to the ZPs for the District Sector programmes. The ZPs deposit these grants in ZP funds maintained at the Treasuries. CEOs of the ZPs allot these funds to implementing officers in the district and also exercise overall control and supervision of the schemes. The Chief Accounts Officer (CAO) of the ZP prepares the monthly and annual accounts and submit these to Government in Rural Development and Panchayat Raj Department.

Details of budget provision made for the State Sector and expenditure incurred thereagainst during 2005-10 are shown in **Tables-4.3 and 4.4.**

Table-4.3 : State Sector -Plan

(₹ in crore)

Year	Budget	Releases	Expenditure	Savings	Amount surrendered
2005-06	32.50	24.09	23.35	9.15	8.62
2006-07	63.97	48.45	46.20	17.77	18.09
2007-08	73.35	33.50	32.24	41.11	41.19
2008-09	57.91	72.61	49.90	8.01	11.77
2009-10	86.73	71.69	69.25	17.48	3.25
Total	**314.46**	**250.34**	**220.94**	**93.52**	**82.92**

Table-4.4 : State Sector –Non-plan

(₹ in crore)

Year	Budget	Expenditure	Savings
2005-06	40.30	37.38	2.92
2006-07	37.70	34.85	2.85
2007-08	43.86	39.96	3.90
2008-09	45.71	42.85	2.86
2009-10	49.17	46.14	3.03
Total	**216.74**	**201.18**	**15.56**

Source: Expenditure Statements furnished by the department

Out of the total savings of ₹ 93.52 crore, ₹ 52.92 crore was on account of non-receipt of funds from GOI for four Centrally sponsored schemes although provision for these schemes had been made in the budget in anticipation.

[12] Fully funded by GOI
[13] Fully funded by GOI
[14] Expenditure is shared by GOI and the State in the ratio of 80:20
[15] Expenditure is shared by GOI and the State in the ratio of 75:25 respectively

Savings surrendered belatedly

The Karnataka Budget Manual prescribes that the progress of expenditure month by month is to be watched by the Controlling Officer and all savings anticipated by the Head of the Department and Controlling Officers are to be reported by them to the FD immediately after these are foreseen. The department failed to adhere to these provisions and surrendered the savings aggregating ₹ 82.92 crore on the last day of each financial year during 2005-10. Further, while only ₹ 11.87 crore were surrendered during 2005-06 and 2009-10 against the available savings of ₹ 26.63 crore, the amounts surrendered during 2006-09 **(Appendix-4.1)** were in excess of the amounts available for surrender. This was due to incorrect adoption of budget provision and expenditure figures at the time of preparing the surrender proposals. This was indicative of lack of expenditure control as surrender proposals had not been based on expenditure statements.

District Sector

Details of budget provision under Plan and Non-plan for the District Sector and expenditure incurred during 2005-10 are shown in **Table-4.5**:

Table-4.5: Budget provision and expenditure for the District Sector

(₹ in crore)

Year	Plan		Non-plan	
	Provision	Expenditure	Provision	Expenditure
2005-06	23.37	25.72	97.02	96.67
2006-07	38.09	36.32	97.31	102.95
2007-08	48.86	49.17	122.73	128.13
2008-09	67.80	65.25	141.65	149.77
2009-10	74.28	73.17	143.77	147.31
Total	**252.4**	**249.63**	**602.48**	**624.83**

Source: Expenditure statements furnished by the department

ZPs failed to submit expenditure statements

ZPs had failed to send monthly/annual statements of receipts and expenditure to the Government during 2005-09 and the reasons for the excess/savings were not verifiable. Consequently, this important expenditure control mechanism was not functioning properly in the department.

4.1.6.2 Irregular advance from Contingency Fund

Advance from Contingency Fund irregularly released

An advance from the Contingency Fund was permissible only for incurring unforeseen expenditure of an urgent nature upon some new service, scheme or item not contemplated in the budget. In the budget proposal submitted to Government for 2009-10, the department had sought ₹ 65 lakh for the Centrally sponsored scheme of "Animal Husbandry Livestock Census", which was provided by the Government. The Commissioner submitted subsequently (September 2009) a supplementary estimate for an additional ₹ 3.26 crore for this scheme during 2009-10, against which the Government sanctioned (November 2009) ₹ 31 lakh and approved re-appropriation of another ₹ 99 lakh during January 2010. The balance requirement of ₹ 1.96 crore was released by the Government during February 2010 from the Contingency Fund.

Operation of the Contingency Fund was in violation of rules as the scheme had been included in the budget and the expenditure foreseen through timely submission of the supplementary estimate.

4.1.6.3 Incorrect utilisation certificates

Incorrect reporting of expenditure to GOI

Although KLDA failed to spend the Central assistance under Phase-I of NPCBB fully even as of March 2010 (as discussed in paragraph 4.1.7.1), the utilisation certificates submitted by KLDA to GOI for the period ending 2005-07 showed the assistance as having been fully spent. As against the expenditure of ₹ 5.46 crore incurred by KLDA during this period, the expenditure reported to GOI was ₹ 9.49 crore. Project Director, KLDA stated (June 2010) that committed expenditure on import of bulls, embryos, frozen semen, *etc*., was shown as expenditure. The reply was not tenable as the utilisation certificates were to be submitted based on actual expenditure and KLDA misinformed GOI about the utilisation of funds of NPCBB in the State.

4.1.6.4 Asset registers of land and buildings

Three out of six farms did not maintain asset registers

The farms at Hesaraghatta and Kudige did not maintain any asset register for land and buildings. The asset register maintained at the Ajjampur farm did not incorporate the details of ownership of 11,327.17 acres of kaval land in Hassan district and another 3,379.32 acres of kaval land in Tumkur district.

While the DDs of Hesarghatta and Kudige farms stated (May 2010) that asset register would be maintained, DD of Ajjampur farm replied (May 2010) that land records were incomplete since the beginning and a fresh survey of the lands belonging to the farms was in progress. Non-maintenance of the asset register was fraught with the risk of inadequate control over the departmental assets.

4.1.6.5 Outstanding observations of previous years

As per the Hand Book of Instructions issued by the FD in 2001 for speedy settlement of audit observations, the Heads of the offices and the next higher authorities are required to comply with the observations contained in the Inspection Reports (IRs), rectify the defects and omissions promptly and report their compliance to the Accountant General who forwards a half yearly report of pending IRs to the Secretary of the department to facilitate monitoring of the audit observations.

As of June 2010, 53 IRs containing 69 paragraphs relating to State Sector and 191 IRs containing 438 paragraphs pertaining to District sector were outstanding against the department. Year-wise details of the IRs and paragraphs outstanding are shown in **Appendix-4.2**.

4.1.7 Service delivery

The department aims at improving the productivity of livestock and poultry, providing health and extension services to animal/poultry rearers through implementation of various developmental schemes/programmes. Some of these are discussed in succeeding paragraphs.

4.1.7.1 National Project for Cattle and Buffalo Breeding

Delay in utilisation of GOI funds affecting breeding activities

Spending by KLDA was very poor

The Centrally assisted National Project for Cattle and Buffalo Breeding (NPCBB) was implemented in two phases (Phase-I: 2000-06 and Phase-II: 2007-12). The project cost of Phase-I and Phase-II was ₹ 20.58 crore and ₹ 20.07 crore respectively. The funds received by KLDA from GOI and expenditure incurred thereagainst during 2002-10 were as shown in **Table-4.6.**

Table-4.6 : Spending by KLDA against releases made by GOI

(₹ in crore)

Year	Releases	Expenditure
2002-06	19.59[16]	9.84
2006-07	Nil	2.91
2007-08	Nil	1.37
2008-09	Nil	0.75
2009-10	6.34	0.89
Total	**25.93**	**15.76**

Source: Annual accounts of KLDA

Spending by KLDA was poor under Phase-I and consequently, the State Government lost Central assistance of ₹ 2.92 crore as GOI released only ₹ 17.66 crore for Phase-I against the project cost of ₹ 20.58 crore. The poor progress under Phase-I had an adverse impact on release of funds for Phase-II also as GOI released ₹ 6.34 crore for Phase-II only during 2009-10 although it commenced during 2007-08. The Commissioner replied (October 2010) that the tendering process for import of bulls, procurement of liquid nitrogen *etc*., took a lot of time and the delay in fixing the rate contracts for several items resulted in slowing down the spending by KLDA. The reply is to be viewed in the light of the fact that the delay in spending was persistent. Although Phase-I closed in 2006, the funds received for Phase-I were not utilised fully as of March 2010, even three years after the commencement of Phase-II. Thus, cattle and buffalo breeding did not receive the desired attention, despite availability of funds.

Improvement of indigenous breeds

Field performance recording of indigenous breeds not undertaken

NPCBB envisaged identification of good quality breeding bulls of indigenous breeds through field performance recording programmes and adoption of specific programmes for improvement to specialised draught breeds like Amruth Mahal, Nagore, Khillar, *etc.* GOI made an allocation of ₹ one crore out of funds released during 2005-06 for field performance recording of four important indigenous breeds *viz*., Hallikar, Amruth Mahal, Khillar and Shruthi. A thousand animals of each of the breeds per year were to be identified during 2004-06.

[16] includes ₹ 1.93 crore being the unutilized balance under earlier ongoing Centrally sponsored schemes of Cattle and Buffalo Breeding

KLDA entered (July 2006) into a Memorandum of Understanding (MoU) with Karnataka Milk Federation (KMF) for recording the field performance of two breeds *viz.,* Jersey and Holstein Friesion (HF) in six[17] districts and released ₹ 83.17 lakh during 2006-07 and 2008-09. KMF identified 3,602 elite cows of Jersey and HF and procured more than 189 bulls and calves for breeding during 2005-09.

While the field performance recording as per GOI guidelines was to be directed towards specific indigenous breeds, KMF identified elite Jersey and HF breeds for breeding during 2004-09. Thus, KLDA's action merely funded an on-going activity of KMF which was inconsistent with the programme objective. Project Director, KLDA replied (June 2010) that as KMF had initiated field performance testing in six districts, it was continued under NPCBB. It was further stated that performance recording of indigenous breeds would be carried out soon. KLDA had not commenced this activity even 10 years after the launch of Phase-I, contributing to the drastic reduction in the population of some of the indigenous breeds during 1997-2007 as shown in **Table-4.7**:

Table-4.7: Population of indigenous breeds during 1997-2007

(Numbers in lakh)

Indigenous breeds	Population as per Census		
	1997	2003	2007 (Provisional)
Deoni	1.26	0.36	0.68
Hallikar	34.90	21.08	19.98
M.Gidda	19.18	14.41	12.81
Krishna Valley	0.13	-	0.04

Source: Census figures furnished by the department

Artificial insemination through private technicians

Induction of private AI technicians not successful

NPCBB envisaged induction of private Artificial Insemination (AI) technicians. The department was to train the technicians[18] for six weeks and, thereafter, they were to undergo three months of understudy and practice under the supervision of experienced senior technicians. The technicians were to charge ₹ 60 for every AI, retain ₹ 45 as his income and remit the balance of ₹ 15 to the Government. NPCBB guidelines envisaged induction of 120 private AI technicians under Phase-I and another 200 under Phase-II.

It was seen that only 126 private candidates were trained at two training centres during 2007-08 after spending ₹ 7.58 lakh. Principal Secretary stated (September 2010) in the exit conference that the department stopped using the trained private AI workers as they had started working as veterinary doctors. The department was, therefore, seeking the help of NGOs for artificial insemination.

Thus, induction of private AI technicians failed to provide the desired impetus for artificial insemination.

[17] Bangalore-Urban, Bangalore-Rural, Kolar, Dakshina Kannada, Mysore and Mandya

[18] The private AI technicians should possess a secondary school certificate and be above 18 years of age. They were to invest in vehicles of their choice for mobile AI practice and all the equipment for the practice.

4.1.7.2 Special livestock package for suicide-prone districts

Delay in providing assistance to farmers in distress

GOI sanctioned (September 2006) ₹ 92.71 crore to the State under a special package for providing supplementary avenues of income to the farming population in six suicide-prone districts. The package was to be implemented over a period of three years during 2006-09. Subsequently, GOI extended (May 2009) the package up to September 2011. The package envisaged induction of high yielding milch animals in the districts so that small and marginal farmers vulnerable to economic distress would have an alternate source of income. GOI was to provide a subsidy to an extent of 50 *per cent* of the cost of the animal up to a maximum of ₹ 15,000 per animal and the beneficiary was to provide the balance amount through a bank loan. GOI was also to provide subsidy to the farmers at varying scales for calf rearing, healthcare, feed and fodder, besides bearing the cost of AI services and estrus synchronisation.

The physical and financial targets under various components of the package and achievement thereagainst as of March 2010 are as shown in **Table-4.8**:

Table-4.8: Targets and achievements under special package for suicide-prone districts

Component	Targets fixed by GOI		Targets fixed for releases so far made		Achievements	
	Physical (Nos.)	Financial (₹ in lakh)	Physical (Nos.)	Financial (₹ in lakh)	Physical (Nos.)	Financial (₹ in lakh)
High yielding milch animal	18,000	2,700.00	12,519	1,877.79	6791	1,012.16
Calf rearing	9,000	657.00	6,259	456.92	2300	162.52
Feed and Fodder supplying	18,000	1,642.50	12,519	557.00	4880	428.23
Animal Health care	18,000	54.00	12,519	18.00	4880	15.31
Setting up of Bulk Milk Cooler	10	240.00	10	217.00	15	192.52
Establishment of fodder block making unit	5	212.00	3	55.00	-	-
AI services	12,60,000	1,890.00	10,42,380	1,349.75	36,33,537	981.51
Estrus Synchronisation	37,500	1,875.00	2,82,998	1,208.67	2,44,092	1,198.60
Total		**9,270.50**		**5,740.13**		**3,990.85**

Source: Progress reports of KLDA

Although KLDA was to implement the special package as per GOI guidelines and also received funds from GOI during November 2006, the State Government nominated (January 2007) KMF as the implementing agency for the package. KLDA transferred ₹ 23.13 crore to KMF during March 2007 to March 2008 as per State Government's instructions for implementing the package. The State Government subsequently transferred implementation of the package again to KLDA during February 2009 when KMF refunded the unspent balance of ₹ 1.09 crore to KLDA. Though the package had become operational in 2006-07, KLDA spent only 70 *per cent* of the funds released by GOI as of March 2010. The financial progress in terms of the total package cost of ₹ 92.71 crore was only 43 *per cent* as of March 2010.

The progress in induction of milch animals was slow and was only 38 *per cent* of the target fixed by GOI. The achievement, even in terms of releases so far made by GOI for this component, was only 54 *per cent*. It was also seen that the induction of milch animals slowed down considerably after the implementation of the package was transferred to KLDA in February 2009.

Chickmagalur and Kodagu districts recorded the lowest achievement of 27 and 31 *per cent* respectively as shown in the **Table-4.9:**

Table-4.9: Status of induction of milch animals in suicide-prone districts

(In numbers)

Name of the district	Target	Achievement by KMF	Achievement by KLDA	Total achievement as of March 2010	Percentage of achievement
Belgaum	3000	926	545	1471	49
Shimoga	3000	985	173	1158	39
Chitradurga	3000	984	195	1179	39
Hassan	3000	956	278	1234	41
Chickmagalur	3000	733	77	810	27
Kodagu	3000	793	146	939	31
Total	**18000**	**5377**	**1414**	**6791**	**38**

Source: Progress reports of KLDA

The Government of India included (November 2008) goat rearing, piggery and poultry also under the special package and offered a subsidy of ₹ 51,500, ₹ 45,400 and ₹ 6,500 per farmer respectively. Though KLDA released ₹ 81.77 lakh to the districts for implementing goatery, piggery and poultry, no progress had been achieved as of March 2010. Project Director, KLDA stated (April 2010) that the delay in implementing the special package in the six suicide-prone districts was due to delay in selection of beneficiaries and sanction of bank loans, besides the changes made in the scope of the project. The slippages in induction of milch animals negated the urgency shown by GOI in implementing this special package and denied the farmers in economic distress the opportunity of generating additional income.

4.1.8 Livestock Farms

Eleven Livestock Farms functioning in the State Sector are responsible for breed conservation, fodder development, seed production, *etc.*

4.1.8.1 Shortfall in achievement of target in fodder cultivation

Fodder production by the farms was very meagre

The department is in possession of 55,292 acres of kaval land and 5,418.55 acres of cultivable land at the departmental farms. DDs forward their annual plans for cultivation of fodder to the Commissioner before commencement of a financial year for approval. The Commissioner reduces the targets based on funds provided in the budget and approves the annual plan with restricted targets.

In the test-checked farms, although 2,489 acres of land were available for fodder cultivation, cultivation was done only on 294 acres (12 *per cent)* as shown in **Appendix-4.3**. The farms achieved only 49 to 54 *per cent* of the reduced targets fixed for fodder cultivation during 2005-10 as detailed in the **Appendix-4.4**.

These farms had also not taken up fodder seed production due to non-allocation of funds in the budget. Seeds were to be distributed to farmers at concessional rates besides being used for in-house production of fodder. Thus, fodder and fodder seed production, which were important for development of livestock, were not given priority by the department despite availability of land.

The Commissioner replied (October 2010) that fodder production was limited to the extent of funds available. It was further stated that the animals in the farms were not only stall-fed but let out for grazing also. The reply was not acceptable as the potential of the departmental farm land for production of fodder had not been utilised optimally and fodder produced in excess of requirement could always be transferred to the fodder banks for distribution to farmers.

4.1.8.2 Frozen Semen Production and Distribution Centres

These centres maintain breeding bulls from which semen is extracted. After dilution, the semen is filled into straws and frozen. These frozen straws are stored in liquid nitrogen and distributed to the veterinary institutions in the State for artificial insemination.

Achievements in production of frozen semen

Shortfall in production of frozen semen

The target fixed for the three semen production and distribution centres and achievements thereagainst during 2005-10 are shown in **Table-4.10.**

Table 4.10 : Target and Achievement in production of frozen semen

(Semen straws in lakh)

Year	Dharwad		SSCC[19], Hesaraghatta		SLBTC[20], Hesaraghatta	
	Target	Achievement	Target	Achievement	Target	Achievement
2005-06	5	5.52	8	9.09	10	6.8
2006-07	10	7.39	10	11.01	10	6.5
2007-08	10	8.02	10	11.73	10	6.4
2008-09	10	11.00	12	15.08	10	10.19
2009-10	12	11.61	12	16.87	10	10.88

Source: Information furnished by Semen Production Centres

While the achievements of SSCC, Hesaraghatta exceeded the targets during 2005-10, the achievement of the other two centres fell short of the target during 2005-08. Scrutiny of records showed that while SSCC, Hesaraghatta had more breeding bulls during 2005-09, others had less, as shown in **Table-4.11,** affecting semen production.

Table-4.11: Breeding Bulls at the Semen Production and Distribution Centres

Name of the centre	Number of breeding bulls available at the end of			
	2005-06	2006-07	2007-08	2008-09
Dharwad	39	43	54	67
SSCC, Hesaraghatta	44	60	63	63
SLBTC, Hesaraghatta	43	50	44	44

[19] State Semen Collection Centre
[20] State Livestock Breeding and Training Centre

Though GOI provided funds under NPCBB for procurement of breeding bulls for these centres, induction of breeding bulls was delayed. This affected the production of frozen semen by these centres during 2005-09.

Effectiveness of Artificial Insemination

The State level artificial insemination was effective to the extent of 36 to 39 *per cent* in the case of exotic breeds, 34 to 37 *per cent* in the case of indigenous breeds and 31 to 33 *per cent* in respect of buffalos as shown in **Table-4.12**:

Table-4.12: Effectiveness of artificial insemination at the State level

(a) Cows

(In numbers)

Year	Total number of AI Done		Total cows found positive		Effective rate of AI (Percentage)	
	Exotic	Indigenous	Exotic	Indigenous	Exotic	Indigenous
2005-06	1407735	432886	508538	148643	36	34
2006-07	1475289	494221	575552	172551	39	35
2007-08	1487361	460545	568728	171731	38	37
2008-09	1676690	479850	643610	174951	38	36

(b) Buffalos

(In numbers)

Year	Total number of AI Done	Total buffalos found positive	Effective rate of AI (Percentage)
2005-06	620911	190778	31
2006-07	647648	215838	33
2007-08	644408	199291	31
2008-09	696933	231297	33

Source: Annual reports of the department

Cattle breeding in all the farms was also done through AI technique. While the effectiveness of the AI at the State level ranged from 31 to 39 *per cent*, it varied from 20 to 73 *per cent* in three test-checked farms during 2005-10 as shown in **Table-4.13.**

Table-4.13 : Effectiveness of AI at the departmental farms

Particulars	2005-06	2006-07	2007-08	2008-09	2009-10
State Livestock Breeding and Training Centre, Koila					
Total number of cows and heifers subjected to AI	34	25	29	29	40
Number of calves born	13	16	10	9	13
Percentage of effectiveness	38	64	34	31	33
State Livestock Breeding and Training Centre, Hesaraghatta					
Total number of cows and heifers subjected to AI	56	53	51	45	49
Number of calves born	23	38	10	33	20
Percentage of effectiveness	41	72	20	73	41
Jersey Breeding Farm, Kudige					
Total number of cows and heifers subjected to AI	32	26	15	27	48
Number of calves born	16	11	7	10	19
Percentage of effectiveness	50	42	46	37	39

Source: Information furnished by the department

The effectiveness of AI differed from farm to farm and year to year. These farms did not analyse the reasons for varying degrees of effectiveness of AI. The department also did not analyse the reasons for the inconsistencies in the breeding pattern and had not undertaken any evaluation of the effectiveness of the AI programmes in the State.

4.1.8.3 Pig Breeding Stations

Shortfall in achievement of targets

There are five Pig Breeding Stations (PBSs) functioning in the State with the objective of producing pure breed piglets for distribution to farmers and beneficiaries of various socio-economic programmes and also imparting training to farmers.

PBSs at Bangarapet and Kalasa were established with the Central assistance of ₹ 11.34 lakh and ₹ 22 lakh released during March 1997 and March 1999 respectively. However, PBS at Bangarapet became functional only during 2007-08 after creating additional infrastructure consisting of farmers' training hostel, pig sheds, feed store room, *etc*., at a cost of ₹ 60 lakh provided (December 2008) by GOI under RKVY.

Work on PBS at Kalasa commenced during 1999-2000. Though necessary infrastructure was created by 2007-08 at a cost of ₹ 22 lakh, PBS was not functional due to public protests against establishment of the farm close to a temple located on the banks of a river. The public apprehended that the sewage flow from the PBS would contaminate the river. As a result, PBS remained non-functional, despite investment of ₹ 22 lakh. DD, Chickmagalur stated (May 2010) that the problem of sewage disposal had been overcome by constructing a soak pit and breeding activities would commence from 2010-11.

The performance of the PBSs at Koila, Kudige and Hesaraghatta during 2005-10 is shown in **Table-4.14.**

Table-4.14: Performance of the Pig Breeding Stations

Year	Koila				Kudige				Hesaraghatta			
	No. of boars	No. of sows	Piglets produced	Target	No. of boars	No. of sows	Piglets produced	Target	No. of boars	No. of sows	Piglets produced	Target
2005-06	5	26	154	150	4	30	218	150	4	30	162	125
2006-07	5	21	127	170	4	30	156	150	3	29	89	125
2007-08	5	25	133	140	3	25	137	107	3	22	108	125
2008-09	3	8	50	125	1	15	78	125	4	11	13	125
2009-10	11	49	103	125	10	30	88	125	3	12	99	125

Source: Information furnished by the Pig Breeding Stations

Production of piglets during 2008-10 was far below the target. The DDs of these PBSs attributed (June 2010) the shortfall during 2006-10 to old age and deaths of the foundation stocks of parent pigs. DDs of PBSs at Koila and Kudige also stated (June 2010) that the foundation stocks had been replenished during 2009-10 through new purchases and the targets would be achieved during 2010-11. VO of PBS at Hesaraghatta stated (June 2010) that parent stock to be acquired out of funds under RKVY would improve production. The reports were indicative of grossly inadequate response of the department to the varying degrees of shortfall in production of piglets at the PBSs.

4.1.8.4 Construction of veterinary dispensaries in districts

Delay in construction of veterinary institutions

National Bank for Agriculture and Rural Development (NABARD) sanctioned (February 2006 and April 2010) a loan of ₹ 56.48 crore for construction of 525 veterinary dispensaries and clinics in all the districts of the State. These 525 buildings, grouped under five separate projects, were to be completed between March 2008 and March 2012. As per the terms of the loan, NABARD was to finance 95 *per cent* of the total project cost aggregating ₹ 59.45 crore and the State Government was to bear the remaining five *per cent*. The State Government was to expend the amount first by making suitable budget provision and seek reimbursement from NABARD by submitting monthly statement of expenditure. The State Government, however, made a budget provision of only ₹ 44.51 crore against ₹ 53.48 crore required for completing these projects as per the time schedule prescribed in the loan agreement. As a result, these five projects witnessed inordinate time over-runs, resulting in non-completion of many buildings (March 2010) as shown in **Table-4.15.**

Table-4.15 : Incomplete projects taken up with NABARD assistance

Name of the Project[21]	Scheduled date of completion	Total number of buildings	Number of completed buildings	Number of buildings dropped	Number of buildings yet to commence	Number of buildings in progress
RIDF XI	March 2008	177	97	9	3	68
RIDF XII	March 2009	150	42	2	4	102
RIDF XIII	March 2010	76	-	2	-	74
RIDF XIV	March 2011	63	-	-	63	-
RIDF XV	March 2012	59	-	-	59	
Total		**525**	**139**	**13**	**129**	**244**

Source: Progress reports furnished by the department

While only 26 *per cent* of the buildings had been completed, work had not commenced in 25 *per cent* of the buildings (March 2010). The Commissioner stated (January 2011) that additional funds required for completing the project would be obtained from Government.

The reply was indicative of lack of adequate response for timely completion of the buildings and delivery of healthcare service for the livestock population.

[21] The projects were designated as Rural Infrastructure Development Fund (RIDF) projects

4.1.9 Conclusion

The animal husbandry sector suffered from weak institutional capacity in terms of manpower resources. It had not succeeded in correcting the imbalances in the establishment of veterinary institutions across the State, ensuring realistic manpower deployment and optimising manpower utilisation. The department's management of its vast tracts of farm land with a weak watch and ward system was ineffective as large areas had been encroached upon. Some of these encroachments had also been regularised illegally. Conservation of indigenous breeds of cattle was not given priority and, consequently, the population of a few indigenous breeds showed a negative growth. The implementation of the Centrally sponsored schemes *viz.*, National Project for Cattle and Buffalo Breeding and Special package for farmers in suicide-prone districts by the SIA was tardy. Fodder production and fodder seed production were not given priority by the department, despite availability of land. The department had not undertaken any evaluation of the effectiveness of the AI programmes in the State. Non-functioning of the monitoring system handicapped the process of identifying shortcomings in the implementation of various schemes and initiating corrective action.

4.1.10 Recommendations

- The manpower resources of the department need to be strengthened by filling up all vacant posts and utilising the manpower appropriately to take up programmes and activities to achieve the objectives.
- The departmental infrastructure consisting of farms with huge tracts of cultivable land, Frozen Semen Production and Distribution Centres and Pig Breeding Stations need to be managed efficiently and effectively to realise the goals.
- Monitoring of various schemes and other developmental activities needs to be strengthened to avoid delays in implementation and to ensure delivery of the intended services.

The matter was referred to Government in August 2010; reply had not been received (December 2010).

Education Department

4.2 Department of State Educational Research and Training

Executive summary

The Department of State Educational Research and Training administers teachers' education in the State and also acts as the nodal agency for providing pre-service and in-service training to teachers in elementary and secondary schools. It is also entrusted with the implementation of schemes financed by both the State and Central Governments to support computer education and computer based education in secondary schools.

An audit of the department undertaken during February 2010 to June 2010 covering the period 2005-10 revealed:

- ➔ The budgetary and expenditure control mechanisms in the department were weak as evidenced by non-preparation of realistic budget estimates necessitating persistent surrender of huge funds year after year, untimely submission or non-submission of monthly expenditure statements by the Drawing and Disbursing Officers, parking of funds in unauthorised bank accounts to avoid lapse of budget grants, improper maintenance of cash books, *etc.*
- ➔ The computer education programmes implemented by the department also witnessed major slippages such as discontinuance of computer education in 238 schools after creating IT assets in these schools. Delayed start of the second phase of Mahithi Sindhu Project disrupted computer education for two years in 1,000 schools. Ineffective contract management resulted in irregular payments to several agencies.
- ➔ The functioning of District Institutes of Education and Training (DIETs) and Colleges of Teachers Education was affected by inadequate funds, large number of vacancies in the teaching and non-teaching cadres and non-utilisation of hostels.
- ➔ Monitoring of the implementation of the computer education programmes by DIETs was deficient. Many deficiencies in implementation of programmes came to light during the joint-inspection of selected schools by Audit and the Principals/faculties of DIETs.

4.2.1 Introduction

The Department of State Educational Research and Training (DSERT) was established in 1964 for providing academic leadership in school education and improving the quality of education in primary and secondary schools in the State. The main objectives of DSERT are to (i) act as a nodal agency for providing in-service and pre-service training for primary and secondary school teachers (ii) promote research to facilitate teacher development

(iii) undertake revision of curriculum and prepare resource books and develop other materials for use of students and teachers (iv) spread information technology through computer education and training in Government High Schools and (v) coordinate the schemes of the State, Central and International agencies. The important activities taken up by DSERT to achieve these objectives comprise (i) management of teacher education at the elementary and secondary education levels by setting up Government teacher training institutions (ii) undertaking academic reforms based on research (iii) preparation and distribution of text books, resource materials, training manuals *etc.,* and (iv) implementing schemes for imparting computer education and computer based education in Government High Schools.

4.2.2 Organisational set-up

At the State level, DSERT is headed by a Director functioning under the administrative control of Principal Secretary (Primary and Secondary Education), Education Department. The Director is assisted by a Joint Director (Administration) and two Deputy Directors in the Directorate. Each district in the State is equipped with a District Institute of Education and Training (DIET). Each of the 28 DIETs is headed by a Principal. There are six Colleges of Teacher Education (CTEs), each headed by a Principal and eleven Teachers' Training Institutions (TTIs), each headed by a Superintendent. The Commissioner of Public Instructions (CPI) is entrusted with the responsibility of inviting tenders and fixing the agencies for imparting computer education under the State and Central programmes in Government High Schools.

4.2.3 Audit objectives

The objectives of the audit were to examine whether:

- DSERT had adequate institutional capacity to achieve the desired objectives;
- DSERT complied with relevant rules, laws and regulations while discharging its mandated functions;
- administration of teachers' education and implementation of various programmes by DSERT was efficient and effective.

4.2.4 Audit scope, selection and audit methodology

Audit of DSERT covered the transactions for the period 2005-10. Twenty eight DIETs, six CTEs and 11 TTIs were stratified on the basis of their functions and, within each stratum, the offices were arranged in the ascending order of expenditure incurred during 2009-10 and random numbers were generated so as to select 25 *per cent* of the total units in each category. Audit sample covered the Directorate, 11 DIETs[22], two[23] CTEs, three[24] TTIs and 48 schools implementing computer education programmes. These 48 schools

[22] Bangalore (Urban), Bangalore (Rural), Bidar, Bellary, Dakshina Kannada, Gadag, Hassan, Kolar, Mysore, Shimoga and Tumkur

[23] Belgaum, Mysore

[24] Gulbarga (Boys), Gulbarga (Girls) and Mysore

were jointly-inspected by Audit with the officers nominated by the DIETs. The offices were selected using Simple Random Sampling without replacement.

The audit commenced with an entry conference with the Director in June 2010 wherein audit methodology, scope, objectives and criteria were explained. Field audit of the records of the selected DIETs, CTEs and TTIs was conducted between 2 February 2010 and 26 June 2010. The audit comprised scrutiny of records, discussion with departmental officials and field visits. The audit findings were discussed with the Principal Secretary in the exit conference held on 20 August 2010.

Audit findings

4.2.5 Institutional weaknesses

Every organisation needs to have in place sound infrastructure to manage and achieve its mandate and policies. This ensures soundness and appropriateness of the internal systems and controls in its key areas of activities and drives the organisation towards the objectives in an economical, efficient and effective manner. Some of the areas, where the management of activities was found weak, are discussed in the succeeding paragraphs.

4.2.5.1 Lack of professional expertise in DIETs

Faculties of DIETs lacked experience of teaching in primary schools

The Karnataka State Education Perspective Plan Committee (Committee) appointed by Government in January 2007, in their report (June 2007) observed that faculty members who were posted to DIETs had no experience of teaching in primary schools and were, therefore, not professionally equipped to give adequate guidance and support to the teachers. Attributing the lack of professional expertise in DIETs to poor quality of training modules, curriculum design and evaluation packages, the Committee recommended that at least 25 *per cent* of the posts in DIETs should be filled up by faculties who had worked as primary school teachers. It was, however, seen that the faculties in all the 11 test-checked DIETs had not worked as primary school teachers and were, therefore, not equipped with necessary skills to train the teachers.

4.2.5.2 DIETs had no hostel facility

Hostels in DIETs were not put to use

As per the guidelines framed by Government of India (GOI) for setting up a DIET, separate hostels for men and women, *inter alia*, should be maintained for helping students joining the Diploma in Education (D.Ed) course. Five[25] out of the 11 test-checked DIETs did not put to use the hostels constructed at a cost of ₹ 1.52 crore due to lack of maintenance grants from the Government and basic necessities such as power supply and water. Audit observed that another four[26] DIETs provided students with only lodging facilities as no

[25] Bangalore (Rural), Bellary, Bidar, Hassan and Mysore
[26] Bangalore (Urban), Kolar, Mangalore and Tumkur

grants had been allotted for maintenance of kitchen. The Director did not monitor the utilisation of the hostels in DIETs.

The Director accepted (July 2010) that no periodical reports from DIETs on utilisation of hostels had been prescribed. Absence of monitoring by the Director resulted in sub-optimal utilisation of the available infrastructure and denial of hostel support to students.

4.2.5.3 DIETs had no funds for research

Funds were not allocated to DIETs for research

Although research and development is one of the mandated functions of DSERT, its annual budgets did not provide any funds for research activities. However, an amount of ₹ 40,000 per year was provided to each DIET under the Sarva Shiksha Abhiyan for research activities. During 2005-10, the following academic reforms were undertaken on the basis of limited research studies taken up by the DIETs:

(i) Changeover from Trimester to Semester system and
(ii) Modifications in the School Development and Management Committee.

Non-provision of adequate funds for research in the annual budget resulted in lack of initiative by DSERT for research activities essential for teacher development.

4.2.5.4 Shortage of teaching and non-teaching staff in DIETs

DIETs had huge shortage of Lecturers

The guidelines issued by GOI for establishing DIETs prescribed the organisational model for functioning, according to which each DIET should have seven Senior Lecturers and 17 Lecturers, besides technical personnel comprising one Physical Education Instructor, one Work Experience Instructor, one Lab Assistant, one Technician and one Statistician. Only five[27] out of 29 DIETs had the working strength as per norms. The vacancies in other DIETs in the posts of Senior Lecturers and Lecturers ranged from 6 *per cent* to 94 *per cent* (**Appendix-4.5**). While 29 *per cent* of the posts of Senior Lecturers remained vacant in DIETs at Belgaum, Ilkal, Kamalapur and Koppal, more than 50 *per cent* vacancy in the post of Lecturers was noticed in DIETs at Chikkaballapura, Kamalapur, Mangalore, Yermarus and Ramanagara.

In non-technical posts, the vacancies in the posts of Librarian were 66 *per cent*, Technical Assistant 86 *per cent*, Statistician 66 *per cent*, Stenographer 59 *per cent* and Laboratory Assistant 35 *per cent*. Details of vacancies in all the technical posts are given in **Appendix-4.6**.

In CTEs, while the vacancies in the technical posts varied from 14 *per cent* (Mysore) to 35 *per cent* (Mangalore), those in the non-technical posts ranged from 12 to 100 *per cent* (**Appendix-4.7).**

[27] Bangalore (Urban), Bijapur, Gadag, Hassan and Mysore

Large number of vacant posts in the cadres of teaching and supporting staff reflected lack of commitment of the department to training of teachers and capacity building for creating a qualitative resource base to deliver quality education to the students.

4.2.6 Compliance issues

For sound financial administration and financial control, it is essential that expenditure conforms to financial rules, regulations and orders issued by the competent authority. This not only prevents irregularities, misappropriation and frauds, but helps in maintaining good financial discipline. Some of the audit findings on non-compliance with rules and regulations are hereunder:

4.2.6.1 Financial control, budget allotment and expenditure

The mandated activities of DSERT are financed mainly through funds provided in the State budget under the head of account "2202-Secondary Education". Based on budget provisions, the Finance Department (FD) releases funds to the Director who allots these to the 48 Drawing and Disbursing Officers (DDOs) under his control. Principals of CTEs, DIETs, Superintendents of TTIs and one Assistant Director in the Directorate have been authorised to draw money for implementing various programmes.

DSERT implements Centrally sponsored schemes financed by Government of India (GOI) for imparting computer education in Government High Schools. The expenditure on these schemes is shared by the GOI and the State Government in the ratio of 75:25. The State Government makes provision in the budget for these schemes under Plan to the extent of its committed share as well as the share of GOI. GOI releases its share of funds for these schemes to the State Government which, in turn, releases these along with its share to the Director who allots the funds among the DDOs under his control.

Details of budget provision under Plan and Non-plan and expenditure incurred thereagainst during 2005-10 were as shown in **Table 4.16.**

Table 4.16: Details of budget provision

(₹ in crore)

	Plan				Non-plan			
Year	**Budget provision**	**Expenditure**	**Savings**	**Percentage of savings**	**Budget Provision**	**Expenditure**	**Savings**	**Percentage of savings**
2005-06	72.19	65.54	6.65	9	24.39	15.99	8.40	34
2006-07	69.94	45.87	24.07	34	17.96	11.35	6.61	37
2007-08	54.66	43.99	10.67	20	14.25	12.19	2.06	14
2008-09	97.51	88.59	8.92	9	19.01	14.78	4.23	22
2009-10	121.09	68.77	52.32	43	21.19	15.24	5.95	28
Total	**415.39**	**312.76**	**102.63**	**25**	**96.80**	**69.55**	**27.25**	**28**

Source: Expenditure statements of the Director

The budget provision for plan expenditure varied from ₹ 54.66 crore in 2007-08 to ₹ 121.09 crore during 2009-10. The growth in the Plan provision since 2007-08 was mainly due to various Centrally sponsored schemes for computer education sanctioned for the State. However, huge savings occurred under Plan year after year during 2005-10. Scrutiny of savings under Plan showed that the bulk of the savings related to the Centrally sponsored schemes as shown in **Table 4.17**.

Table 4.17: Savings under Centrally sponsored schemes

(₹ in crore)

Year	Budget provision for Centrally sponsored schemes	Expenditure	Surrenders (with their percentage to the budget provision)
2005-06	9.64	8.64	1.00 (10)
2006-07	24.00	11.18	12.82 (53)
2007-08	24.00	22.45	1.55 (6)
2008-09	49.73	42.15	7.58 (15)
2009-10	70.00	19.35	50.65 (72)

Source: Expenditure statements submitted by the Director to Government

Huge savings under Plan

Major savings occurred during 2006-07 and 2009-10. The Director stated (July 2010) that the savings during 2005-10 were due to non-receipt of bills from the companies imparting computer education in Government High Schools before the closure of the year. Savings of ₹ 50.65 crore during 2009-10 occurred as a result of non-receipt of bills from the implementing agencies as well as non-implementation of the Centrally sponsored scheme of Information and Communication Technology (ICT) Phase-III, approved by GOI in August 2008, due to delay in identifying the schools and fixing the implementing agency by the CPI.

The budget provision under Non-plan during 2005-10 was inflated to the extent of 14 to 37 *per cent* due to preparation of budget estimates for establishment without considering the vacant posts which resulted in surrender of savings year after year.

Ineffective expenditure control

Non-submission/ untimely submission of expenditure statements

Rule 239 of the Karnataka Budget Manual (KBM) lays down that after the close of each month, each DDO should, after reconciliation with the treasury figures, forward to the Controlling Officer statements of expenditure in respect of the previous month. These statements are to be despatched by the DDO by 10th of the month following that to which the accounts relate. While DIET, Mysore did not submit expenditure statements to the Director from July 2008, CTE, Belgaum delayed its submission for periods ranging from 4 months 18 days to 11 months during 2005-10. In other test-checked DIETs, the delay in submission ranged from 1 to 139 days during 2005-10. Thus, non-submission of monthly expenditure statements to the Director rendered the expenditure control ineffective.

Savings were surrendered belatedly

Under the provisions of the Karnataka Financial Code (KFC) and KBM, the process of likelihood of savings is to engage the attention of the Heads of Departments and the Controlling Officers and all savings anticipated by the Controlling Officers are to be reported by them to the FD with full details immediately after these are foreseen. The Director failed to adhere to these provisions and surrendered the savings under Plan and Non-plan belatedly and even after the closure of the financial year during 2006-07 and 2009-10 as shown in **Table 4.18.**

Table 4.18: Belated surrender of savings

(₹ in crore)

Year	Amount surrendered	Date of surrender
2005-06	15.04	4 April 2006
2006-07	33.57	2 April 2007
2007-08	12.39	15 March 2008
2008-09	9.96	31 March 2009
2009-10	58.25	6 April 2010

Source: Statements of surrenders made by the Director

While the amount surrendered during 2006-07 was ₹ 33.57 crore, the total savings available for surrender were only ₹ 30.68 crore. The amount surrendered during 2008-09 was only ₹ 9.96 crore against the total savings of ₹ 13.15 crore. As the Director did not receive expenditure statements from all the DDOs, the assessment of savings under Plan and Non-Plan and the surrender thereof to the FD evidently suffered and, consequently, the department either did not surrender the savings in full or surrendered funds far in excess of the savings. In the process, Government lost the opportunity of allotting the savings to other needy sectors.

Expenditure in March was 34 to 50 *per cent* of total expenditure

For the financial management to be efficient and effective, the flow of funds from the Government to the implementing agencies is to be regular and evenly spread over through out the year consistent with the Action plan for the year. A review of the monthly expenditure statements of DSERT for the period 2006-10 indicated that 34 to 50 *per cent* of the total expenditure in a year was incurred in the month of March, as shown in **Table 4.19.**

Table 4.19: Rush of expenditure

(₹ in crore)

Year	Total expenditure	Expenditure in March	Percentage of expenditure in March to total expenditure
2006-07	57.22	21.34	37
2007-08	56.18	28.27	50
2008-09	103.37	46.41	45
2009-10	84.01	28.91	34

Source: Monthly expenditure statements prepared by the Director

The Director did not furnish the details of funds released by FD during the last quarter of every year during 2006-10 and audit could not determine whether the rush of expenditure was due to late release of funds by FD or ineffective expenditure control by DSERT.

Uneven spread of expenditure not only affected the programme implementation but facilitated other financial irregularities as discussed below.

4.2.6.2 Drawal of funds and their deposit in Savings Bank Account to avoid lapse of grant

Funds were drawn and deposited in SB Accounts to avoid lapse of grant

Rule 17 of the Manual of Contingent Expenditure (MCE) lays down that no money is to be drawn from the treasury unless it is required for immediate disbursement and it is not permissible to draw money in anticipation of demands or to prevent lapse of budget grant. Article 76 of KFC prohibits a Government servant from opening an account with a bank in his/her official capacity to deposit Government money. Government had also instructed (July 2003) the departments not to open Savings Bank Accounts without the permission of the FD.

The Director and DIETs operated 17 Savings Bank (SB) accounts without the permission of the FD for parking funds irregularly drawn from the treasuries to avoid lapse of budget grant. Cases of irregular parking of funds as of May 2010 as disclosed in test-check are given in **Table 4.20.**

Table 4.20: Irregular parking of funds

Officer diverting funds	Funds parked in SB account (₹ in crore)	Period of deposit	Remarks
Principals of 11 DIETs and one CTE[28]	1.26	November 2007 to March 2010	Under the instructions from the Director, the amounts were drawn from the treasuries based on advance payees' receipts obtained from Nirmithi Kendra and Karnataka State Habitat Centre.
Assistant Director in the Directorate	6.37	March 2010	Amounts were drawn on grant-in-aid bills under Government instructions to avoid lapse of grants.
	8.86	April 2010	

Source: Bank statements

As of May 2010, funds aggregating ₹ 16.49 crore, parked in the SB accounts, remained unutilised. The Director also drew two cheques for ₹ 2.19 crore from the treasury on 31 March 2008 in favour of the two companies appointed for implementation of ICT Phase-I. These cheques were drawn on advance payees' receipts obtained from these companies to avoid lapse of grant during 2007-08. These cheques were got revalidated on 22 July 2008 and delivered to the agencies after completion of the work. Such a practice is unhealthy and against the tenets of financial propriety.

There was no mechanism in the Directorate for monitoring these SB accounts. Interest of ₹ 22.41 lakh earned on the balances in these SB accounts was also not credited to the Government. The Director stated (July 2010) that instructions had been issued to DIETs for crediting the interest to the Government account.

4.2.6.3 Funds in non-Government accounts diverted for Government expenditure

Diversion of non-Government funds for Government expenditure

The Government in Education Department revised (May 2007) different fees such as Admission fee, Laboratory fee, Examination fee, Library fee, *etc.,* to be collected by DIETs from students joining the D.Ed course. DIETs were to remit fifty *per cent* of the fees so collected to the Government and spend the remaining amount on developmental activities. DIETs parked their share of fees in SB accounts and used these funds for meeting the expenditure on organising tests, repairs, library books, furniture, *etc.* However, there was no monitoring of the amounts deposited in and utilised from these accounts. It was further seen that the Director had irregularly authorised the DIETs to divert funds from these accounts for meeting the expenditure on maintenance of vehicles, electricity charges, *etc.,* subject to recoupment from the budget. It was seen in the test-checked DIETs that ₹ 1.02 crore from these

[28] DIETs at Bangalore (Rural), Bangalore (Urban), Bellary, Bidar, Gadag, Hassan, Kolar, Mangalore, Mysore, Shimoga, Tumkur and CTE-Belgaum

non-Government accounts had been diverted during 2005-10 and ₹ 18.66 lakh had not been recouped as of May 2010. The delay in recoupment ranged from one to 20 months.

In three out of 11 test-checked DIETs, similar diversion of funds aggregating ₹ 14.88 lakh had been made from the SB accounts operated for implementation of Sarva Shiksha Abhiyan. Of this, only ₹ four lakh had been recouped as of May 2010. The Director stated (July 2010) that DIETs/CTEs had been instructed to take immediate action to set right the issues.

Thus, the overall control environment in DSERT was not conducive to efficient and effective resource management.

4.2.6.4 Irregular payment of telephone and electricity charges

Irregular payment to the company for MSP

CPI entered (March 2007) into agreement with KEONICS for maintaining the IT assets created in 1,000 Government High Schools under the Mahithi Sindhu Project (MSP) and continuing computer education to the students in these schools.

Under the agreement, KEONICS was entitled to telephone and electricity charges at the rates incorporated in the agreement from the date of commencement of computer education. However, KEONICS did not commence work till April 2008 and was, therefore, not entitled to telephone and electricity charges for the period April 2007 to March 2008. KEONICS, nevertheless, claimed these charges aggregating ₹ 1.28 crore and DSERT paid this amount without verification. The Director stated (July 2010) that after the closure of Phase I of MSP, electricity charges and telephone bills were paid by the respective schools till KEONICS took over the maintenance. It was further stated that the electricity and telephone charges had been paid for in the interest of work. The reply is not tenable as the interest of work had not actually been served and KEONICS was not entitled to any payment for services not rendered.

4.2.6.5 Cash books not maintained as per rules

DDOs did not maintain cash books as prescribed

Article 329 of KFC prescribes that every officer receiving money on behalf of the Government should maintain a cash book. All monetary transactions should be entered in the cash book as soon as they occur and attested by the Head of the office in token of check. At the end of each month, the Head of the office should verify the cash balances in the cash book and record a signed and dated certificate to that effect.

Article 6 of KFC lays down that a Government officer receiving money on behalf of the Government must give the payer a receipt in form KFC 1 or 1A. The Head of each department should obtain required number of printed and machine numbered receipt books from the Government Press, distribute them to the subordinate officers and maintain a stock account thereof.

Audit scrutiny in DIETs at Mysore and Kolar and CTE at Mysore showed that receipt books without numbers purchased from open market were used for acknowledging receipt of money aggregating ₹ 38.52 lakh during 2005-10. The cash books for both Government and non-Government transactions in test-checked units were written on the basis of entries in the passbooks of the SB accounts instead of on the basis of receipts issued and payments made. An investigation by Principal, DIET, Mysore during November 2009 disclosed that a First Division Assistant (FDA) had collected fees from the students without issuing receipts and misappropriated ₹ 5.34 lakh. Although the FDA remitted the misappropriated amount, the department had not even received a reply to the show-cause notice from the erring official (June 2010).

In the case of DIET, Hassan, the closing cash balance as per the cash book for non-government transactions was ₹ 1.29 lakh on 18 December 2000. No cash book was maintained for the period 19 December 2000 to 7 January 2003. The cash book maintained from 8 January 2003 did not incorporate any opening balance. The Principal who had operated one SB account in the local Post Office for non-Government transactions closed it in November 2005 and opened a new SB account with State Bank of India, Hassan. The Principal did not, however, produce the passbook issued by the Post Office to audit. In the absence of the pass book and cash book for the period 19 December 2000 to 7 January 2003, Audit could not ascertain whether proper accounting of transactions was carried out during this period. No action had been taken to write the cash book for the period December 2000 to January 2003 and assess misappropriation of funds, if any. Failure of the Head of the office to maintain the cash book as per the codal rules made the system vulnerable to fraud and other serious irregularities.

4.2.6.6 Outstanding audit observations

Huge pendency in submission of replies to outstanding audit observations

As per the Hand Book of Instructions issued by the FD in 2001 for speedy settlement of Audit observations, the Heads of the offices and the next higher authorities are required to comply with the observations contained in the Inspection Reports (IRs), rectify the defects and omissions promptly and report their compliance to the Accountant General (AG) who forwards a half yearly report of pending IRs to the Secretary of the department to facilitate monitoring of the audit observations.

As of December 2010, 38 IRs containing 115 paragraphs issued by the AG were outstanding against DSERT. Year-wise details of the IRs and Paragraphs outstanding are detailed in **Appendix-4.8.** The category-wise details of the outstanding paragraphs were as at **Table-4.21**.

Table 4.21 : Category-wise details of outstanding IRs

Category	Number of outstanding paragraphs
Cash book related issues	28
Under-utilisation of infrastructure and irregularities in civil works	18
Deficiencies in programme implementation	17
Irregular retention of money	13
Excess and Irregular payments to contractors	11
Service matters	7
Miscellaneous	21
Total	**115**

Source: Outstanding Inspection Reports

In disregard of the extant instructions of the FD, the Heads of offices had not sent even the initial replies to 19 IRs containing 74 paragraphs issued between 1995-96 and 2009-10.

4.2.7 Service delivery

The department aims at providing in-service and pre-service training for primary and secondary school teachers, besides undertaking revision of curriculum and spreading information technology (IT) through computer education and training in Government High Schools. Some of these issues are discussed in the succeeding paragraphs.

4.2.7.1 Training of teachers

Shortfall in achievement of targets for training of teachers

DSERT formulates plans and co-ordinates primary teacher training programmes at the State level. At the district level, DIETs conduct training programmes for primary teachers and students joining D.Ed course offered by them. Six CTEs take care of the training needs of secondary teachers and students studying Bachelor of Education (B.Ed) course offered by them.

These training programmes are intended to provide, *inter alia*, support for the continuous progress and development of teachers, help them use child-centric approaches for improved curricular transaction and play multiple roles effectively and efficiently.

Details of in-service primary and secondary school teachers trained by DIETs and CTEs respectively during the period 2005-10 are given in **Table 4.22**.

Table 4.22: Details of teachers trained

(In numbers)

Year	DIETs		CTEs	
	Target	Achievement	Target	Achievement
2005-06	1,94,000	1,91,834	2,100	1,800
2006-07	1,00,000	91,191	2,000	1,600
2007-08	97,000	83,000	1,800	1,200
2008-09	86,000	73,000	4,000	3,100
2009-10	75,000	68,000	3,500	2,600

Source: Information furnished by the Director

The number of primary school teachers targeted for training and those trained by DIETs showed a declining trend during 2006-10 and the Director did not furnish reasons thereof. Of the 1.71 lakh primary teachers working in Government schools, only 40 to 53 *per cent* received training every year during 2006-10. The coverage of secondary school teachers (27,832) during 2005-10 was a dismal 4 to 11 *per cent* of the working strength. The Director attributed (July 2010) the shortfall in achievement to (i) delay in release of funds by the Government (ii) pressure from the teachers' association for avoiding training during vacation (iii) advisory of the Government to conduct training only during week-ends and (iv) absenteeism of the teachers nominated for training.

The Karnataka State Education Perspective Plan Committee had observed (January 2007) that a huge gap existed in in-service training imparted by DIETs as teachers of un-aided institutions forming a large percentage were invariably left out, leading to gaps in teaching standards in unaided institutions. Support for continuous progress and development of primary and secondary school teachers through training was, therefore, poor. It was seen that in-service training of teachers continued to ignore the teachers in unaided institutions, despite the Committee's findings.

High absenteeism of trainee teachers

Teachers failed to attend the training programmes

During 2006-10, there was no shortfall in achievement of the target in terms of the number of training programmes for primary school teachers. However, a large number of teachers nominated for these programmes either did not attend or attended only partially. The number of man-days of training targeted and the number of mandays achieved in terms of participation are shown in **Table 4.23**.

Table 4.23 : Mandays of training targeted and achieved

Year	Mandays		Percentage of shortfall in achievement
	Target	Achievement	
2006-07	43,15,800	27,61,487	36
2007-08	40,35,900	26,94,924	33
2008-09	36,32,144	23,97,401	34
2009-10	34,33,275	22,01,992	36

Source: Information furnished by the Director to SSA

The huge shortfall in mandays was indicative of lack of interest of teachers in training. The persisting absenteeism showed lack of monitoring of these training programmes by the Director and lack of initiative to address the problem.

4.2.7.2 Computer education initiated under earlier schemes not continued

Computer education was discontinued despite availability of IT assets

DSERT took up various Centrally sponsored schemes for spreading IT through computer education and training in Government High Schools. These included Revised Class Project (RCP) (cost: ₹ 17.21 crore) covering 150 schools and 11th Finance Commission Project (FCP) (cost: ₹ 11.61 crore) covering 88 schools, implemented by the department during 2003-06. These two schemes closed during December 2006. The IT assets consisting of computer hardware, software, peripherals, diesel generators, *etc.,* created under RCP and FCP at a cost of ₹ 15.61 crore for imparting computer education to 1.58 lakh students under RCP and 1.29 lakh students under FCP were not put to use by the department as computer education was discontinued in these 238 schools. The Director stated (July 2010) that after the closure of these two projects in December 2006, instructions were issued to the Headmasters of these schools to continue computer education by making use of the services of the trained teachers available. Further, as the systems in these schools had become old, these schools were to be covered under ICT

Phase III. A joint inspection by Audit and the representatives of DIETs of nine out of 150 schools and six out of 88 schools **(Appendix-4.9)** covered under RCP and FCP respectively showed that the computer systems were non-functional and no computer education was imparted in these 15 schools. Non-continuation of computer education in the schools covered by RCP and FCP, despite availability of infrastructure, deprived 2.87 lakh students of computer education.

4.2.7.3 Implementation of ICT Phase-I and II

DSERT took up the following Centrally sponsored schemes during 2007-10 to provide computer education in Government schools not covered earlier under RCP and FCP.

- ICT Phase-I at a cost of ₹ 38.59 crore, covering 480 schools (2007-12).
- ICT Phase-II at a cost of ₹ 121.53 crore, covering 1,571 schools (2008-13).

Although GOI approved ICT Phase III in August 2008 at a cost of ₹ 426.68 crore, the scheme had not commenced (June 2010) due to delay in identifying 4,396 Government High schools and fixing the implementing agency.

The agencies fixed by CPI for implementing ICT Phase I and Phase II were responsible for providing necessary IT assets in the selected schools, their maintenance and imparting computer education in these schools through technically qualified personnel. ICT Phase-I and II had the same objectives. The responsibilities of the implementing agencies (two companies for ICT Phase-I, one company each for ICT Phase-II) in furtherance of the objectives were as shown in **Table 4.24.**

Table 4.24 : Responsibilities of the implementing agencies

Objectives of the schemes	Responsibilities of the implementing agencies
To enable the students to gain computer education and to understand its applications	To supply hardware and software to the schools and to appoint full time computer faculty or faculties as per the agreement for training the students.
To enhance the learning levels of the students in curricular subjects through computer aided education	To supply computer text books as per the medium of instruction in the selected schools and impart computer education.
To enable the students to understand the basics of computer programming	To supply the requisite furniture, telephone and internet connectivity
To introduce the students to e-mail and internet	To train teachers in the selected schools on computer education.

Computer based education not provided by schools

Students were deprived of computer based education

According to the agreements entered into with the companies for ICT Phase-I & II, computer education consisted of the following components.

- Computer education of two periods per week for students in class VIII and one period per week for students in classes IX and X, to be imparted by the companies through their faculty members using the infrastructure created by them;

- Computer based education in the subjects of Science, Mathematics, Social Science and English to be handled by the trained teachers in schools using the subject CDs to be supplied by DSERT.

Joint inspection by Audit and representatives of DIETS showed that 22 schools (11 each under ICT Phase I and Phase II) had not been supplied with the subject CDs and computer based education was, therefore, not provided in these schools. It was also seen that DSERT did not supply the subject CDs to the 11 test-checked DIETs for distribution to the schools under their jurisdiction. Besides the subject CDs, audio equipment consisting of sound cards and speakers were also essential for imparting computer based education. However, the agreement with the implementing companies did not prescribe supply of sound cards and speakers along with hardware/peripherals. In the absence of subject CDs and audio equipment, the schools covered under ICT Phase-I & II did not evidently impart computer based education. The Director stated (July 2010) that computer based education could not be implemented as the requirement of sound cards and speakers was not identified due to non-availability of technical staff in the department.

Thus, 4.57 lakh students lost the opportunity of enhancing their learning levels through computer based education.

Internet connectivity belatedly provided in schools

Delay in providing internet facility in schools

The companies were required to provide internet service in 480 schools (Phase I) and 1,571 schools (Phase II) by April 2007 and November 2008 respectively. These companies were also to provide internet connectivity to every student for a minimum of two hours besides 100 hours of internet service to the teachers in the schools every year. For this purpose, they were to install telephone and internet connections in the schools.

However, audit scrutiny showed that while the two companies for ICT Phase-I failed to provide telephone and internet connections in 480 schools till August 2007, the company for ICT Phase II delayed this facility to 1,312 schools till June 2009. Joint Inspection of 11 schools each under ICT Phase I and II showed that internet connectivity was not provided in two schools even as of May 2010. Thus, delay in providing internet connectivity under ICT Phase I & II adversely affected the computer education in schools.

Faculties for computer education did not have the requisite qualification

Computer education imparted by faculties without requisite qualification

The agreement for implementation of ICT Phase-I required the two companies to hire one full time faculty for each school with a minimum qualification of B.E or BCA or B.Sc (Computer Science) or a science degree with one year diploma in computer application from a reputed training institute. However, these companies failed to employ faculty members with the prescribed qualification in many schools and the Director, as a measure of penalty, deducted from the bills of the companies five *per cent* of the monthly faculty salary of ₹ 3,500. This was contrary to the contract condition which prohibited payment of faculty salary in such cases. During 2009, the two companies engaged computer faculty without the requisite qualification for

324 quarters in 4 to 117 schools. Instead of disallowing ₹ 34 lakh from the bills, the Director released ₹ 32.30 lakh irregularly to these companies after deducting only ₹ 1.70 lakh towards penalty.

The Director replied (July 2010) that the deduction of penalty from the bills of the companies for ICT Phase I was based on the decision taken (July 2008) by the CPI in a meeting attended by him. The reply was not tenable as the decision of July 2008 was applicable only to MSP. Further, the contract conditions were not to be varied after the agreement was entered into, to the advantage of the companies.

Thus, quality of computer education was compromised under ICT Phase I as a result of failure to enforce the contract condition for faculty appointment which also facilitated an excess payment of ₹ 32.30 lakh to the company.

Lax controls in purchase of UPS

UPS were purchased in disregard of tender specification

The agreement with the company for implementation of ICT Phase I in 216 out of 480 schools stipulated supply of UPS of any of the brands *viz.,* Delta, Uniline, Nunesic, TVSE or Gemini. However, the company supplied UPS of Aargu make which the Technical Advisory Panel of the e-governance Department (TAP) found to be of inferior quality. TAP directed (September 2007) the company to replace the UPS with any of the specified brands, else 25 *per cent* of the agreed cost would be deducted from the bills. This decision was evidently faulty as the company, which had been given a wide range of brands to choose from, was bound to supply the UPS as per the agreement, failing which no payment was admissible for the inferior UPS. However, this decision glossed over the inferior quality of UPS and the company naturally preferred a penalty of 25 *per cent* to the replacement of the inferior UPS. DSERT deducted a penalty of ₹ 29.43 lakh from the bills and accepted the inferior supplies. During the joint inspection (April 2010), the Headmasters of four out of eleven schools covered under ICT Phase-I confirmed that the UPS supplied by the company were not functional and these had not been repaired or replaced by the company. The Director did not furnish information regarding the number of non-functional UPS out of 216 supplied by the company.

Thus, acceptance of inferior UPS at a reduced cost of ₹ 88 lakh against the contract value of ₹ 1.17 crore, compromised the compelling need to have UPS of appropriate quality to ensure uninterrupted computer education in schools in rural areas facing acute and unscheduled power shutdowns.

The company for ICT Phase II, *inter alia*, was to supply to each of the 1,571 schools, UPS of 3 KVA capacity with batteries providing a VAH rating of 19,200 to ensure uninterrupted power supply for four hours. As per the terms of the agreement, payments were to be released to the company after inspection of the equipment.

When the company supplied the UPS during January-April 2009, DSERT nominated 16 engineering colleges for inspection of the UPS supplied. Although the inspection reports (July and August 2009) furnished by these colleges disclosed that the company had supplied UPS with a rating of only 9,600 VAH (eight batteries of 12V with 100 AH capacity each against the requirement of 16 batteries), DSERT irregularly released (February and March 2009) payment of ₹ 11 crore to the company, instead of rejecting the supplies as not conforming to the specifications. The company had not supplied (December 2010) the additional batteries required to give a backup of four hours. As the schools providing computer education were located in remote and outlying rural areas facing acute power shortage, acceptance of UPS with a back up capacity lower than prescribed impacted the computer education adversely. The Director replied (July 2010) that while the contract agreement prescribed payment of 80 *per cent* of the supplies on delivery, he released only 70 *per cent* and the company had been directed (February 2010) to make good the shortfall in supplies. The reply was not tenable as the agreement envisaged payment only for supplies conforming to the specifications and additional batteries were not provided even as of December 2010.

Irregular payment of ₹ 11 crore to the company for supplies not conforming to specifications extended unauthorised financial aid to the company. The lax controls also exposed computer education in 1,571 schools to the vulnerability of disruption due to inadequate backup capacity of UPS.

4.2.7.4 Implementation of extended Mahithi Sindhu Project

Mention was made in Paragraph 3.1 of the Report of the Comptroller and Auditor General of India (Civil) for the year ended 31 March 2004 regarding the implementation of Mahithi – The Millennium Policy for Information Technology and Bio-technology in 1,000 Government High Schools. This State-assisted scheme closed in December 2005. To ensure continuity in computer education in these schools, the State Government approved (November 2005) the extension of the Mahithi Sindhu Project (MSP) in these 1,000 Government High Schools for another three years.

Delayed start of the second phase disrupting computer education

Hold-ups in award of contract delayed the resumption of computer education by two years

The first phase of the MSP financed fully out of State funds was introduced in 1,000 selected schools during 2000-01 to impart computer education for a period of five years. At the time of project closure in December 2005, necessary IT assets consisting of hardware, software peripherals, *etc.,* and other supporting services like faculty support in the form of trained teachers had been provided in these schools and DSERT was to take over these IT assets in good condition from the implementing agency.

The State Government approved (November 2005) extension of the project for another three years to ensure continuity in computer education. CPI invited (November 2005) tenders for providing computer education and annual maintenance of the assets already created. The notice inviting tenders, *inter alia*, prescribed (November 2005) that the tenderers were to possess experience in providing computer education in schools/training centres in Karnataka, besides having a minimum turnover of ₹ one crore per year and experience of running at least 50 computer centres for a minimum period of two years. Following representations for relaxing these criteria to encourage participation by IT vendors operating in other states, CPI agreed (December 2005) to amend these criteria. However, while amending the criteria, CPI stipulated that the tenderers were to possess experience of running computer centres in 50 Government schools for a minimum period of two years. CPI could not accept the lowest tender received for ₹ 34.86 crore as one of the tenderers filed a writ petition in the High Court of Karnataka challenging the amended criteria which restricted participation. The High Court dismissed (September 2006) the writ petition after CPI cancelled the tender proceedings.

CPI invited (October 2006) fresh tenders without insisting upon the experience of running training centres in Government schools and awarded (March 2007) the contract to the lowest tenderer, KEONICS, for ₹ 37.12 crore. Thus, CPI's modification of the condition for participation in the tendering process evidently restricted participation and resulted in failure to avail of the lowest offer of ₹ 34.86 crore and additional financial burden of ₹ 2.26 crore in entrusting the work to KEONICS. Besides, the delay in award of contract also delayed the resumption of computer education in 1,000 schools.

DSERT did not take over the IT assets created under the first phase immediately on project closure in December 2005. Although KEONICS signed the agreement in March 2007, it did not commence computer education immediately as the agency for the first phase refused to handover the IT assets in working condition on the ground that it was not responsible for the delay of 15 months from project closure, during which the IT assets remained idle without maintenance. CPI approved (February 2007) deduction of ₹ one crore from the bills of the agency for the first phase for not handing over the IT assets in working condition. KEONICS commenced computer education only in April 2008 after repairing the existing assets for which DSERT made an additional payment of ₹ 5.44 crore. Failure to take over the IT assets in working condition in December 2005, besides causing an extra financial burden of ₹ 4.44 crore on repairs, further delayed the resumption of computer education till April 2008. In the process, 3.64 lakh students were denied computer education every year for two years during 2006 and 2007.

The Director replied (July 2010) that the first tendering process had been cancelled to avoid protracted delay due to litigation and that the lowest tenders received in response to the two calls were not comparable as prices varied on a day-to-day basis. The reply was not acceptable as the amended criteria had introduced a fresh condition, restricting participation and the hold-ups in the tendering and award process were avoidable.

Internet facility not provided or inadequately provided

Internet facility partially provided to students

Due to delayed start of the second phase of MSP, KEONICS did not provide any internet facility to teachers or 3.64 lakh students in 1,000 schools during 2007-08. However, during 2008-09, KEONICS provided internet facility for only five lakh hours against the requirement of 7.74 lakh hours. Thus, more than three lakh students were given internet connectivity at the rate of only 1.38 hours per student per year as against the requirement of two hours.

4.2.8 Lax monitoring controls

DIETs are to monitor implementation of the computer education in schools covered under MSP, ICT Phase I and II *etc.* As per the agreements with the companies engaged for ICT Phase-I & II and MSP, the quarterly payment was to be released by DSERT only on countersignature of their bills by the Headmasters of the concerned schools and the Principal of the jurisdictional DIET. Thus, for the purpose of countersigning the bills, DIETs were to inspect the schools every quarter. However, it was seen that DIETs failed to inspect all the schools under their jurisdiction even annually during 2005-10. According to information furnished by the DIETs, the shortfall in annual inspection of schools during 2005-10 ranged from 21 to 88 *per cent* in three districts[29] in respect of MSP, 29 to 91 *per cent* in four districts[30] in respect of ICT Phase I and 13 to 78 *per cent* in 11 districts[31] in respect of ICT Phase-II. Bellary, Bidar, Hassan and Mysore districts implementing MSP, ICT Phase I and II, witnessed persistent shortfall in annual inspections. Evidently, the Principals of DIETs in these four districts countersigned the bills of the implementing companies without verification of the status of computer education. Principals of other test-checked districts also countersigned the bills of the companies without inspection of the schools every quarter. Thirty three schools coming under 11 DIETs (one school each under ICT Phase I and II and MSP) **(Appendix-4.10)** were jointly inspected by audit and the Principals/faculties of the DIETs. The deficiencies noticed during the joint inspection are shown in **Table 4.25**

Table 4.25: Deficiencies in schools

Deficiency noticed	Number of schools covered by		
	MSP	ICT Phase I	ICT Phase II
Electricity was not available during school hours and it affected computer training	1	1	-
UPS was not functional	3	2	-
Schools did not have internet facility	4	3	1
Hardware was not in working condition	2	-	-
Full attendance was marked to computer faculty even during the summer vacation and Dasara holidays	2	1	2
The qualification of the computer faculty was not as prescribed	-	5	-

[29] Bellary, Bidar and Hassan
[30] Bellary, Bidar, Hassan and Mysore
[31] Bangalore (Rural), Bangalore (Urban), Bellary, Bidar, Dakshina Kannada, Gadag, Hassan, Kolar, Mysore, Shimoga and Tumkur

Deficiency noticed	Number of schools covered by		
	MSP	ICT Phase I	ICT Phase II
No training on computer education had been imparted to teachers	-	2	-
UPS supplied under ICT Phase II did not conform to the specifications prescribed	-	-	11
Anti-virus programmes had not been installed in the systems in the schools jointly inspected	9	6	6
Scanners had not been installed	-	-	5
Projector had not been supplied	-	-	1
The computer lab was used as a kitchen	1	-	-
The Reception System for EDUSAT programme was found abandoned	-	-	1
The generator was found in the toilet of the school	1	-	-

Source: Information collected during joint-inspection

Some of the deficiencies noticed during the joint inspection attracted levy of penalty under the agreements with the companies concerned. However, the Headmasters had countersigned the bills of the companies without reflecting the deficiencies in the bills. The Principals of the DIETs also countersigned the bills of the agencies as a matter of routine, without monitoring implementation in the schools. In the case of ICT Phase-II, although the countersignature of the company's bill by both the Headmasters and Principal of the DIET was mandatory as per the agreement, DSERT made payments on the basis of the countersignature of only the Headmasters concerned.

4.2.9 Radio Programmes

DSERT had entered into Memorandum of Understanding with All India Radio, Bangalore (AIR) for broadcasting from 13 radio stations every year from 2005-06, lessons in three modules (*viz.,* Chinnara Chukki for classes I and II, Chukki Chinna for classes III to V and Keli Kali for classes VI to VIII) to benefit 60 lakh students. The objective of this scheme called Keli Kali was to enable the students to use radio as a medium to learn difficult concepts. The broadcast schedule and the teachers' guide were supplied to schools to help the teachers plan the pre and post broadcast activities effectively. The radio lessons were designed on the basis of the existing curriculum.

During 2008-09, the curriculum for classes I and II was revised, replacing the conventional method of teaching using text-books with an activity based approach requiring the teacher to involve children in a variety of activities like songs, games, outdoor activities, conversation, role play, puzzles, crafts, *etc.,* and thereby initiate them to learning tasks. This methodology called Nali Kali was introduced during 2008-09 in 7,009 schools of 185 blocks in the State covering 2.90 lakh students. It was extended to classes I and II in all Kannada medium Government schools in the State during 2009-10, covering 14.22 lakh students. Nali Kali was extended to class III also during 2010-11.

4.2.9.1 School broadcast not providing the expected value addition

Radio formats not revised despite revision of curriculum

Audit scrutiny revealed that the radio lessons were not redesigned after revision of curriculum during 2008-09 and the broadcasts based on the old curriculum for classes I to III were continued during 2008-10. As the teachers had not prepared the students in classes I to II for the radio formats after the change in curriculum and teaching methodology in 2008, the radio lessons did not help the students comprehend the subjects. A study taken up (July 2008) by AIR to ascertain the student-teacher response to Keli Kali showed that the lessons broadcast for all the subjects were not clear to the students at all, although the teachers opined that they were clear to them. Although the study recommended (July 2008) a suitable structuring of the subjects/radio formats based on a practical pre-test of the lessons planned for broadcast, DSERT did not take any corrective action. However, the Director replied (July 2010) that overall revision would be taken up in due course. Thus, the radio broadcasts during 2008-10 failed to provide the expected value addition and help the students in their learning process.

4.2.9.2 Printing of text books ahead of change in curriculum

Wasteful expenditure on printing of textbooks

The decision to extend Nali Kali to class III from 2010-11 was taken (September 2009) in a meeting held under the Chairmanship of Principal Secretary. DSERT sent the requisite extension proposal to the Government in November 2009 and followed it up through reminders in December 2009 and March 2010. Meanwhile, CPI who was responsible for printing and supply of text books to schools placed (February 2010) orders with the Text Book Society for printing of 6.46 lakh copies of text books based on the existing curriculum for 3rd standard. These text books were also supplied to schools at the beginning of the academic year 2010-11. However, the Government approved extension of Nali Kali to 3rd standard during June 2010, bringing about the change in curriculum for the students of 3rd standard and rendering the text books already supplied to them inappropriate. Printing of text books during the pendency of the extension proposal with Government was indicative of total lack of coordination between the Director and CPI, resulting in a wasteful expenditure of ₹ 2.97 crore. The Commissioner did not furnish a reply to this observation.

4.2.9.3 Printing of learning material delayed

The tender conditions were changed while entering into agreements

After the introduction of Nali Kali in Class I and II, DSERT invited short term tenders for printing of learning material and entrusted the work to four different agencies during the year 2007-10.

The tender notification in all these cases prescribed a period of 15 days for approval of proof and 30 days for supplying the printed material from the date of work order. The contracts were awarded based on these conditions. While entering into agreements with these agencies, the delivery period was changed as 30 days from the date of approval of the proof in respect of three suppliers and 60 days from the date of approval of the proof in respect of one supplier. The details of scheduled date of supply as per the original tender condition, date of approval of proof and date of supply of the printed material are given in **Appendix-4.11**.

In all these cases, proof was approved only after the scheduled date of supply of the printed material as per the tender notification had expired and actual delivery was further delayed. No penal action was taken for the delay in getting approval of the proof. The Director stated (July 2010) that the delivery period was extended considering the requests of the printers at the time of entering into agreements. Prescribing a shorter delivery period at the time of inviting tenders and increasing it at the time of entering into agreements vitiated the tendering process, limiting competition, and thereby losing competitive rates.

Unauthorised extension of the delivery period facilitated delayed supply of the learning material long after the commencement of the academic year, having the potential to impact adversely the delivery of education. Besides, the agreements in all these cases contained a clause for levy of liquidated damages up to a maximum of 10 *per cent* of the contract price for delay in supplies. Changing the delivery period at the time of agreement rendered the liquidated damages clause inoperative. The agencies, thus, escaped the levy of liquidated damages aggregating ₹ 27.84 lakh though the rates quoted by them were for supply within 30 days from the date of work order. As malpractices at the time of entering into agreements cannot be ruled out, the matter calls for investigation.

4.2.10 EDUSAT Programme

The receiving systems were non-functional in a large number of schools

To bring about quality improvement in classroom transactions and to supplement classroom teaching with audio-visual support, the Government launched a pilot project in collaboration with Indian Space Research Organisation (ISRO) in 885 primary schools of Chamarajanagar district and Kenchanahalli hobli of HD Kote taluk during 2004-05. The objective of the pilot project was to telecast lessons for primary classes by installing Direct Reception System (DRS), consisting of a dish antenna and a television receiver in the schools. The programme was extended to Gulbarga district during 2005-06, covering 885 schools. The cost of these two pilot projects was borne by ISRO.

During December 2007, DSERT entered into a Memorandum of Understanding (MoU) with ISRO for extending the facilities to 833 primary schools of Bangalore (Rural) and Ramanagara districts at a cost of ₹ 11.66 crore. ISRO was to bear the cost of ₹ 5.83 crore towards supply and installation of the receiving systems, including their annual maintenance, till the 4^{th} year. DSERT, besides bearing the balance cost, was responsible for providing necessary infrastructural and other facilities for the project.

It was seen that many of the receiving systems were not functional in these schools as shown in **Table 4.26**.

Table 4.26 : Details of non-functional receiving systems

District	Number of schools in which receiving systems had been installed	Number of schools where systems were not functional	Remarks
Chamarajanagar	885	885	All the systems needed replacement of batteries. Of these, system parts had been stolen in 60 schools.
Gulbarga	885	179	System parts had been stolen in 61 schools.
Bangalore (Rural) and Ramanagara	833	151	In 92 schools, system parts had been stolen.

Source: Information furnished by DSERT

Though DSERT appointed the Block Education Officers, Principals of DIETs and Deputy Directors of Public Instructions for monitoring the implementation of the project, no action had been taken to make the systems functional in the schools. The Director replied (July 2010) that the solar panels mounted on roof tops had been stolen and complaints had been registered with the Police Stations. It was further stated that instructions would be issued to heads of schools to take necessary security measures to avoid the theft of system parts. Large number of non-functional systems and lack of initiative to repair and put them to use, besides indicating poor monitoring, completely defeated the purpose for which the project had been launched in Chamarajanagar district and to a significant extent in Gulbarga, Bangalore (Rural) and Ramanagara districts.

4.2.11 Conclusion

The department's budgetary and expenditure control mechanism were not functioning efficiently as budgets had not been prepared realistically, resulting in surrender of funds year after year. Funds had been drawn to avoid lapse of grants and parked in unauthorised bank accounts. Cash books were not maintained by DIETs as per rules. There was huge shortfall in training of teachers. Functioning of DIETs was affected by inadequate funds, large number of vacancies in the teaching and non-teaching cadres and non-utilisation of hostels. The computer education programme of the department was not effectively implemented as computer education was discontinued in 238 schools after creating necessary IT assets and the implementation of MSP was disrupted for two years in 1,000 schools. Monitoring of the implementation of computer education programmes was also weak.

4.2.12 Recommendations

- The department should comply with the controls prescribed in the Karnataka Budget Manual and Karnataka Financial Code so that accountability issues are not compromised in the interest of spending the funds allotted.
- The department should make optimum use of infrastructure created under various schemes/projects related to computer education.

- Action should be taken to fill up the vacancies in DIETs to achieve the objective of imparting qualitative training to teachers.
- Monitoring of the functioning of DIETs/CTEs and the implementation of computer education, radio and EDUSAT programmes needs to be improved.

The matter was referred to Government in July 2010; reply had not been received (December 2010).

BANGALORE	**(D. J. BHADRA)**
THE	**Principal Accountant General**
	(Civil and Commercial Audit)

COUNTERSIGNED

NEW DELHI	**(VINOD RAI)**
THE	**Comptroller and Auditor General of India**