

Overview

This Report contains major findings arising out of Compliance Audits of various Departments under General and Social Sectors of the Government of Madhya Pradesh conducted during 2016-17. The Report is structured in two chapters. Chapter I provides general information about audited entities, audit coverage, responses of the Government to the Audit Inspection Reports/Audit Reports and instances of fraudulent withdrawals and recoveries at the instance of Audit. Chapter II of Report contains one Compliance Audit on 'Functioning of Residential Schools and Hostels for Scheduled Tribes' and two Audit Paragraphs. The audit findings included in the Report have total money value of ₹ 147.44 crore involving issues of systemic deficiencies, irregular expenditure, wasteful expenditure, fraudulent withdrawals, etc.

The audit has been conducted in conformity with the Auditing Standards of the Comptroller and Auditor General of India. Audit samples have been drawn based on statistical sampling. The specific audit methodology adopted has been mentioned in Compliance Audit Paragraph. The audit conclusions have been drawn and recommendations have been made taking into consideration the views of the Government. A summary of the main audit findings is presented in this overview.

1. Audit on functioning of Residential Schools and Hostels for Scheduled Tribes

In Madhya Pradesh, 89 blocks in 20 districts are tribal blocks. State Government has established 1,051 ashram schools (for classes I to VIII), 78 *Kanya Shiksha Parisars* (girls' residential schools for classes VI to XII), 1,368 pre-matric hostels and 210 post-matric hostels for scheduled tribes (STs). Under the Central Sector Eklavya Model Residential School (EMRS) Scheme, 29 EMRS have been established in the State for providing quality education from classes VI to XII to students from ST category.

During the years 2012-13 to 2016-17, State Government had incurred ₹ 2,686.12 crore on functioning of these residential schools and hostels for STs, which included central assistance of ₹ 71.31 crore for construction of ashram schools/hostels and ₹ 244.66 crore of grants-in-aid (GIA) for functioning of EMRS.

Tribal Affairs Department (TAD) is responsible for education of children from primary to higher secondary classes in the tribal blocks. MP Tribal Welfare Residential and Ashram Educational Institutions Society (Society) was empowered by Commissioner Tribal Development (CTD) for management of EMRS. The Compliance Audit on functioning of Residential Schools and Hostels for ST in the State for the period 2012-13 to 2016-17 revealed the following:

Financial Management of EMRS

The Society did not properly maintain cash book and also not prepare other relevant records like ledgers and bank reconciliation statement. The Annual Accounts of the Society which were to be prepared within 90 days of

completion of the financial year, were not prepared for the years 2015-16 and 2016-17 as the Society failed to appoint the Chartered Accountant (CA). The absence of essential records is a red flag to presumptive misappropriation and fraud.

Recommendation

TAD should examine the failure to maintain the mandatory books of accounts and finalization of accounts of the Society from a vigilance angle to ensure that the failure was not deliberate and there were no instances of misappropriation and fraud. TAD should also fix accountability on Society functionaries for this failure and take appropriate disciplinary and other action immediately.

Scrutiny of utilisation certificates (UCs) furnished by the Society for the GIA of ₹ 282.19 crore received from GoI during 2012-13 to 2016-17 revealed that the UCs were fictitious, since there was unutilised balance of ₹ 113.84 crore (including interest) in EMRS bank accounts of the Society as on March 2017. CTD was responsible for submission of fictitious UCs of ₹ 113.84 crore.

Recommendation

TAD should fix accountability on Society functionaries for furnishing incorrect utilisation certificates to GoI and take appropriate departmental action.

Advances of ₹ 30.69 crore released to 18 district collectors over eight to 15 years ago remained unadjusted till August 2018. Advances of ₹ 6.03 crore were not traceable in three test checked districts (Dhar, Mandla and Shahdol).

Recommendation

TAD should examine the issue of the advances lying unadjusted for long periods from a vigilance angle and ensure that there is no misappropriation or fraud. TAD and GoMP should take appropriate disciplinary and other action against District and Society functionaries for failing to refund/adjust unutilized advances. CTD, who is also ex-officio Secretary of the Society, should ensure periodic review of outstanding advances for their adjustment before closing of the financial year.

(Paragraph 2.1.3)

Quality of Education in EMRS

EMRS had substantial shortage of teachers which adversely affected the quality of education. Overall pass percentage of class XII students in EMRS was extremely poor than that of class X students of EMRS and average pass percentage of class XII students in Ajmer region of CBSE. The position of results in EMRS are an area of concern, particularly in view of the fact that EMRS have a rigorous selection process for admission of students and a substantial infrastructure and other financial support are provided to these schools which are otherwise not available in other government schools. Thus, the objective of establishing EMRS as quality residential schools for ST suffered in the State due to failure of TAD to recruit teachers.

Recommendation

TAD should take urgent measures to fill up the vacant posts of principals/lecturers/teachers in EMRS and not depend on contractual/guest teachers to provide children with quality education.

(Paragraph 2.1.4.1)

Upgradation of hostels without planning

TAD upgraded (December 2012) 330 pre-matric hostels for STs to 50-seater hostels without actual increase in the accommodation capacity of these hostels. Out of the 318 upgraded hostels functioning from their own building, new buildings/additional rooms were constructed in only 71 upgraded hostels. As a result, inmates of 247 hostels had to face various difficulties, such as, one cot was being shared by two students, lack of toilets and bathrooms etc.

Recommendation

TAD should formulate an action plan to urgently provide adequate infrastructure in 247 hostels, which were upgraded in December 2012.

(Paragraph 2.1.6.1)

Deficient infrastructure/facilities in residential schools/ hostels

During the joint physical verification of 53 test checked (25 boys and 28 girls) residential schools/hostels, Audit noticed residential schools and hostels were deficient in infrastructure, such as inadequate accommodation for inmates as well as staff, cots, toilets, dinning space, sports material, library, etc. There was substantial shortfall in the meetings of Palak Samitis, which are formed in residential schools/hostels every year with the objective of providing basic facilities.

Recommendation

TAD should ensure Palak Samitis constituted in every residential school/hostel and that they function effectively. TAD should also ensure that all residential schools/hostels have adequate facilities as per requirements.

(Paragraph 2.1.6.5)

Health check-up of inmates

Audit noticed shortfall of 87 per cent in prescribed monthly health check-up of inmates. Despite allocation of funds, test checked districts (Dhar, Khargone and Shahdol) did not organise camps for check-up of Sickle Cell Anaemia (SCA). District Mandla utilized the entire allotted fund of ₹ 53.55 lakh, SCA tests were not organised in 10 out of 19 test checked residential schools/hostels. No health cards indicating status of SCA were issued even in the nine residential schools/hostels where tests were conducted, which rendered the entire expenditure of ₹ 53.55 lakh as unfruitful.

Recommendation

TAD may examine the reasons for not conducting monthly health check-up of inmates and fix responsibility. TAD may also fix the responsibility of

concerned ACTD/ health department officers for not organizing camps for SCA and for not issuing cards indicating health status of students in cases where SCA camps were organized.

(Paragraph 2.1.8)

2 Audit Paragraphs

Unauthorised operation of bank account and loss of interest

Assistant Commissioner, Tribal Development (ACTD), Seoni unauthorisedly opened savings bank account and parked ₹ 112.51 crore of tribal welfare scheme funds to avoid lapse of budget. ACTD also failed to take timely action with the Bank for credit of interest on deposits which resulted in loss of ₹ 2.44 crore.

(Paragraph 2.2)

Wasteful expenditure

Joint Director, Town and Country Planning, Singrauli failed to take cognizance of objection of Northern Coalfields Limited (NCL) before granting permission for development of residential colony in coal bearing area, which resulted in wasteful expenditure of ₹ 1.95 crore on development of the colony by Singrauli Development Authority as the land was subsequently acquired by NCL.

(Paragraph 2.3)