

CHAPTER - III

COMPLIANCE AUDITS

This Chapter contains three theme based paragraphs on “Implementation of National Programme of Nutritional Support to Primary Education”, “Implementation of Underground Drainage System under Rurban Scheme” and “Functioning of Residential Schools under Gujarat State Tribal Education Society”, and two long compliance paragraphs on “Implementation of Indira Gandhi National Old Age Pension Scheme” and “Unfruitful expenditure on procurement of Refuse Compactor Vehicles”.

EDUCATION DEPARTMENT

3.1 Implementation of National Programme of Nutritional Support to Primary Education

3.1.1 Introduction

The National Programme of Nutritional Support to Primary Education (commonly known as the Mid Day Meal (MDM) Scheme) was launched (August 1995) as a Centrally Sponsored Scheme. The scheme was intended to boost the universalisation of primary education by increasing enrolment, retention and attendance in primary classes. The programme covers children studying in primary and upper primary classes in Government, Government Aided and Local Bodies schools, children studying under the Educational Guarantee Scheme (EGS) and Alternative and Innovative Education (AIE) Centres (now known as Special Training Centres) and children of recognised Madararas/Makhtabs supported under Sarva Shiksha Abhiyan (SSA). In Gujarat, the scheme was in operation since 1984 and was merged (August 1995) with the GoI scheme.

The revised scheme guidelines (September 2006) require providing to eligible children cooked meals with minimum nutritional value of 450 calories energy and 12 grams protein for primary students¹ and 700 calories energy and 20 grams protein for upper primary students². Under the State sponsored scheme of “Doodh Sanjivani” the Government of Gujarat (GoG) in addition to cooked meal also provides 200 ml. flavored milk to the students of schools managed by Tribal Development Department and schools of developing Talukas managed by the Education Department. Additionally, 60 kilograms of food grains *per* annum to each girl students of a tribal family (maximum two girls in a family) is also provided by GoG under “Ann Triveni” scheme. Besides, a sweet under “Sukhadi³ Project” to students once in a week as an additional nutritive food was also provided by GoG. For community participation, meal to the students once in a month is provided by the village community sponsors under “Tithi Bhojan” scheme of GoG.

The Principal Secretary (PS), Education Department (ED) is in-charge of overall implementation of the scheme in the State. The Commissioner (MDM) implements the scheme through Deputy Collectors (MDM) at District level and Mamlatdars assisted by Deputy Mamlatdars at Taluka level. At the school level, the scheme is implemented through Sanchalak-cum-Cooks (SCCs), who are

1 Foodgrains (100 grams), Pulses (20 grams), Vegetables (50 grams), Oil and Fat (5 grams)

2 Foodgrains (150 grams), Pulses (30 grams), Vegetables (75 grams), Oil and Fat (7.5 grams)

3 A sweet prepared using wheat, jaggery and oil

engaged on honorarium to supervise cook-cum-helpers in cooking the food and for co-ordinating with the Mamlatdar for getting food grains and cooking cost as per the norms, and for submitting the accounts. Civil Society Organisations (CSOs) and Non-Government Organisations (NGOs) are involved in implementing the scheme in urban areas (Municipal Corporation areas) as well as in Districts by operating centralised kitchens. The Gujarat State Civil Supplies Corporation (GSCSC) is the nodal transport agency for delivery of food grains, pulses and edible oil up to Fair Price Shops (FPS). A flow chart of implementation of the MDM scheme is given in **Appendix-XI**.

A compliance audit of MDM scheme was conducted to assess whether the scheme was being implemented in a planned manner to cover all eligible primary and upper primary school children; the objective of improving the nutritional status of children were achieved; funds allocated were utilised in an economic and efficient manner; and the implementation of the scheme was effectively monitored. Audit test-checked the records of the scheme covering the period from 2015-16 to 2017-18 maintained at the Commissioner of MDM, Gujarat State Civil Supply Corporation (GSCSC) and implementing agencies of five selected Districts⁴ and 11 selected Talukas⁵. Audit also visited (June to August 2018) 96 schools⁶ jointly with the officials of Taluka Mamlatdar/Vadodara Municipal Corporation (VMC). Additional 11 schools of five⁷ Talukas were also visited for checking utilisation of modern kitchen equipment.

An exit conference was held (19 June 2019) with the Secretary, Primary and Secondary Education Department to discuss the audit findings. The views of the State Government have been considered and incorporated in the report.

3.1.2 Funding Pattern of the scheme

The financial assistance under the scheme is shared between GoI and GoG in the ratio of 60:40 for cooking cost⁸ and honorarium to cook-cum-helpers. In addition to this, GoI also provides free food grains (100/150 grams per student per day for primary and upper primary) and transportation subsidy at the rate of ₹ 75 per quintal for transporting food grains from godowns of Food Corporation of India (FCI) to schools and assistance for Management, Monitoring and Evaluation (MME) at the rate of 1.8 *per cent* of total assistance on cooking cost, free food grains and transportation subsidy.

Audit findings

3.1.3 Planning and coverage

3.1.3.1 Coverage of schools and students

As per the instructions issued (April 2002) by the Commissioner, the Mamlatdar of each Taluka shall obtain the details of school-wise enrolment from the Taluka

4 Amreli, Banaskantha, Panchmahal, Vadodara including Vadodara Municipal Corporation and Valsad

5 Amreli (Dhari and Savarkundla), Banaskantha (Danta (one additional covered during pilot study), Deodar and Vav), Panchmahal (Godhra and Sahera), Vadodara (Karjan, and Vadodara rural) and Valsad (Valsad and Kaprada)

6 Eight schools in each Taluka including eight schools in Vadodara Municipal Corporation selected on the basis of Simple Random Sampling without Replacement method

7 Danta, Godhra, Kaprada, Karjan and Sahera

8 Cooking cost includes cost of pulses, vegetable oil, vegetable and condiments, fuel and miscellaneous expenditure. From July 2016, rate of cooking cost has been fixed at ₹ 4.13 and ₹ 6.18 per student per day for primary and upper primary students respectively. In addition to this, GoG provides additional ₹ 0.45 and ₹ 0.23 for extra cooking oil per student per day for primary and upper primary students respectively.

Education Authorities and shall enter the same in a register. Monthly details of total number of students covered along with daily average coverage under MDM scheme shall be entered in the register based on the accounts submitted by the SCCs. The Monthly Progress Reports (MPRs) shall be prepared by the Mamlatdar for submission to the District Authorities based on the data of the register.

Audit observed that none of the 11 test-checked Talukas had maintained the said register. Consequently, the veracity of the data relating to coverage of schools and students reported could not be vouchsafed in Audit. The data reported in the MPR by the test-checked Talukas was found to be incorrect as discussed in the succeeding paragraphs –

• ***Incorrect reporting of coverage of schools***

The Education Department submits the Annual Work Plan and Budget (AWP&B) for each financial year to the Programme Approval Board (PAB)⁹ of GoI for approval by February of the preceding year. The numbers of schools covered in the preceding year are approved as the target in the AWP&B for the next year by PAB. The details of number of Primary Schools (PSs) and Upper Primary Schools (UPSs) managed by Government (including schools managed by Local Bodies) and Private Grant-in-Aid (GIA) schools as provided by the State Project Director (SPD) of Sarva Shiksha Abhiyan (SSA), number of schools approved in the AWP&B and number of schools reported by GoG as covered under MDM scheme during 2015-16 to 2017-18 are shown in **Table 1** –

Table 1: Coverage of schools

Year	Number of schools in the State as per SSA			Number of schools approved in AWP&B			Coverage reported to GoI in AWP&B		
	Government	GIA	Total	Government	GIA	Total	Government	GIA	Total
1	2	3	4	5	6	7	8	9	10
2015-16	31,535	523	32,058	33,666	845	34,511	33,358	413	33,771
2016-17	31,512	502	32,014	33,358	413	33,771	33,041	412	33,453
2017-18	31,567	513	32,080	33,041	412	33,453	32,368	365	32,733

(Source: Information provided by Director (SSA) and Commissioner of MDM)

The above table shows that the number of schools approved in the AWP&B as well as those reported as covered under the Scheme was higher than the number of schools in the State as per SSA records. Further, Audit observed that against actual coverage of 6,755 schools by the test-checked Districts, the Commissioner had reported 7,105 schools as covered in AWP&B during 2015-16. In the remaining two years (2016-17 and 2017-18), the coverage has been under reported. This indicated that incorrect data of coverage of schools were being reported by the State to GoI.

The Commissioner attributed (August 2018) the reason for variation in the data to the incorrect information furnished by the District authorities. The reply indicates that the Commissioner failed to get the regular reconciliation done so as to ensure

⁹ It consists of (1) Secretary, School Education and Literacy as Chairman, (2) Nutrition experts and (3) Representatives from the Departments of Women and Child Development, Ministry of Rural Development, Ministry of Panchayat Raj, FCI, etc. The PAB in its meeting discusses the proposals received from various States and accords its approval.

that correct information is reported to GoI. The Secretary in the exit conference (19 June 2019) accepted the audit observation and stated that they are in the process of taking approval for developing a software which would integrate the entire information related to the scheme like number of schools, beneficiary children stock utilised, *etc.* It was further stated that the implementation of the software would be undertaken considering audit issues. Audit is of the view that the State Government may ensure correct reporting of coverage of schools to GoI.

3.1.3.2 Incorrect reporting of coverage of students

Ministry of Human Resource and Development (MHRD) approves the daily average number of students to be covered in the ensuing year based on the number of students covered during the preceding year reported in the AWP&B.

MHRD had approved coverage of 42.27 lakh, 43.95 lakh and 43.67 lakh students for the years 2015-16, 2016-17 and 2017-18 respectively against which the Commissioner reported to GoI that the coverage in these years was 43.95 lakh, 43.67 lakh and 43.97 lakh students respectively.

On comparison of the data of coverage of students reported by the Commissioner to the GoI and data reported by the test-checked Districts to the Commissioner through MPRs, Audit observed variation in the number of daily average beneficiaries covered. In 2017-18, the coverage of daily average number of students as reported by the Commissioner to GoI was higher by six *per cent* (8,05,073 students) as against the coverage reported (7,58,278 students) by four¹⁰ out of five test-checked Districts.

Audit compiled the data of Detailed Contingent Bills of the talukas which included the actual coverage of students at school level and found that the coverage of students reported in the MPRs was more than the actual students covered in DC bills by 8, 12 and 19 *per cent* for the period 2015-16 to 2017-18 in respect of six¹¹ out of 11 test-checked Talukas.

Thus, the above facts indicated that there was higher reporting in respect of coverage of students to GoI due to incorrect reporting by the Talukas and also at the Commissioner level. Accordingly, food grains and cooking cost were being allocated more than the actual ground-level requirement leading to increase in closing stock of food grains as discussed in **Paragraph 3.1.4.1**.

The Secretary in the exit conference (19 June 2019) accepted the audit observation and stated that they are in the process of taking approval for developing a software which would integrate the entire information related to the scheme like number of schools, beneficiary children, stock utilised, *etc.* It was further stated that the implementation of the software would be undertaken considering audit issues. Audit is of the view that the State Government may ensure correct reporting of coverage of students to GoI.

10 Except Valsad where average daily beneficiaries as reported by the Commissioner (1,17,989) were less by 5,403 than the figures shown by the Districts (1,23,392).

11 Dhari (Amreli District), Danta, Deodar and Vav (Banaskantha District), Karjan (Vadodara District) and Valsad (Valsad District). At Savarkundla Taluka of Amreli and Godhra and Sahera Talukas of Panchmahal District, there was no variation between DC bill and MPR. At Kaprada Taluka of Valsad District and Vadodara (Rural), the numbers of beneficiaries were not mentioned in the DC bills.

• ***Incorrect reporting of coverage of students of Special Training Programme***

Section 4 of the Right of Children to Free and Compulsory Education (RTE) Act, 2009 provides that the local authorities shall arrange Special Training Programme (STP) for identified Out of School Children (OoSC) and mainstream them for regular schooling. As per MDM guidelines, the students of STPs are entitled for meals under MDM.

The details of number of STPs sanctioned and students enrolled in them during 2015-16 to 2017-18¹² *vis-a-vis* details of coverage of STP and its students reported in the AWP&B by the Commissioner of MDM¹³ are shown in **Table 2**—

Table 2: Coverage of STPs and its students as per AWP&B for the period 2015-16 to 2017-18

Year	As per records of SSA		As reported in AWP&B (in addition to school coverage)	
	Number of STPs sanctioned	Number of students enrolled	Number of STPs reported as covered	Number of students reported as covered
2015-16	2,646	26,942	2,514	31,345
2016-17	2,496	31,966	2,107	26,939
2017-18	2,500	47,139	1,827	18,124

(Source: Information provided by SSA and the Commissioner of MDM)

The above table shows the coverage of STPs students reported by the Commissioner of MDM varied from those reported by SSA. Scrutiny of records at test-checked Talukas revealed that the Mamlatdars had no information about the number of STP held in the Taluka and had never reported the coverage of STPs and its students in the MPRs. Thus, the Commissioner had been reporting in the AWP&B incorrect data of coverage of STPs and students.

The Commissioner stated (August 2018) that the coverage of STP students was included on the basis of information received from SSA. The State Project Director, SSA stated (September 2018) that the details of STP sanctioned were being communicated to the Commissioner of MDM for their coverage under MDM scheme. Audit is of the view that non-availability of data at Taluka level indicated incorrect reporting by the Commissioner of MDM in this respect.

3.1.4 Supply and utilisation of food items

Food grains are supplied by GoI through Food Corporation of India (FCI) which are lifted by the Gujarat State Civil Supplies Corporation (GSCSC). Pulses and edible oil are procured and supplied by GoG through GSCSC. The Mamlatdar issues permits every month to Fair Price Shops (FPS) for lifting of food items from the godowns of GSCSC situated in the Taluka. The SCCs lifts the food items from FPS as per the quota of stock allotted to him by the Mamlatdar based upon the expected number of students for the month. Audit findings on utilization of different food articles are described in the succeeding paragraphs.

¹² As provided by the State Project Director (SPD) of SSA to Audit

¹³ In addition to the students covered under schools

3.1.4.1 Over-reporting of utilisation of food grains

Audit observed variation in the closing stock of food grains as reported by the Commissioner to GoI and closing balance as maintained by the GSCSC. The year-wise details of food grains allocated by GoI, lifted and utilised under the scheme during 2015-16 to 2017-18 as provided by the Commissioner and the year-wise closing stock of food grains as provided by GSCSC are given in **Table 3** –

Table 3: Details of utilisation and closing stock of food grains

(Quantity in metric tonnes)

Year	As reported by the Commissioner					Closing stock as reported by GSCSC	Difference in closing stock
	Open-ing stock	Alloca-tion	Quantity lifted from FCI by GSCSC	Quantity utilised	Closing stock		
1	2	3	4	5	6 (2+4-5)	7	8(7-6)
2015-16	4,781	1,15,348	1,07,047	1,10,013	1,815	27,423	25,608
2016-17	1,815	1,23,287	1,20,794	1,19,653	2,956	38,003	35,047
2017-18	2,956	1,21,489	1,20,505	1,19,903	3,558	49,939	46,381

(Source: Information provided by the Commissioner and GSCSC)

The above table shows that though huge stock of food grains were lying at the godowns of GSCSC, the Commissioner has been under-reporting the closing stock of food grains to GoI during 2015-16 to 2017-18 by over-reporting of the utilisation of food grains. Audit scrutiny revealed that the utilisation of food grain was being reported without obtaining the details of actual utilisation from the District/Taluka levels and without ensuring the actual closing stock of foodgrain with GSCSC. Instead the utilisation of food grain was being calculated based on the coverage of students which was also being inflated by the Commissioner as discussed in **Paragraph 3.1.3.2**.

The Secretary in the exit conference (19 June 2019) stated that the data available with the GSCSC would be reconciled and correct quantity of food grains available with the Corporation would be adjusted by indenting from GoI. To this Audit stated that the situation has to be addressed after verification of internal records.

3.1.4.2 Improper implementation of uniform menu

As per the scheme guidelines, the daily menu of meal is to be decided locally at District level. The menu was being decided locally up to August 2017 since the implementation of the scheme. Thereafter, with the objective of having a uniform menu throughout the State and to enhance the nutritional intake of students, the Education Department of GoG as a new initiative, divided the single meal into breakfast and lunch, without changing the cooking cost. Further, supply of Chana (gram) for three days and mixed Kathod (whole pulses) for a day as menu for breakfast was prescribed.

During joint field visit (June to August 2018) of 72 schools (managed by SCCs) in test-checked Districts, Audit observed that breakfast was not served in 28 schools on the day of visit of Audit, while in the remaining 44 schools, the SCCs served breakfast along with lunch/meal. In Valsad Taluka of Valsad District, breakfast was being served along with lunch/meal but was not as per the prescribed menu.

Supply of breakfast together with lunch/meal defeated the objectives of enhancing the nutritional intake of the students by bifurcating the meal into breakfast and lunch.

The Secretary in the exit conference (19 June 2019) stated that the implementation of uniform menu would be reviewed and corrective action to implement it as intended would be taken.

3.1.4.3 Supply of milk under Doodh Sanjivani Scheme

Education Department of GoG introduced (2014-15) “Doodh Sanjivani Scheme” on pilot basis in two developing Talukas of the State *i.e.* Santalpur of Patan District and Modasa of Aravalli District. The objectives of the scheme were to address the issues of malnutrition. The scheme was to be scaled up on ascertaining positive impact on students’ health after carrying out health check-up of the students and after conducting an evaluation study. The District Co-operative Milk Unions working under the umbrella of “AMUL” was to supply the milk and get the expenditure reimbursed through the Deputy Collectors (MDM). The scheme was extended to other Districts gradually.

Of the five test-checked Districts, the scheme was implemented in three Districts (Banaskantha, Panchmahal and Valsad¹⁴). In Banaskantha District, Audit observed that the daily average number of students covered under the scheme decreased from 1,25,961 to 91,489 students and in Panchmahal District, it decreased from 31,574 to 18,188 students during 2015-16 to 2017-18.

Of the 11 test-checked Talukas, the scheme was being implemented in three Talukas¹⁵ by the Education Department. Scrutiny of records revealed that none of the schools in three test-checked Talukas had submitted the report of receipt and consumption of milk pouches to the Mamlatdar though it was required as per the instructions issued by the Commissioner. In five out of eight schools visited, in Sahera Taluka of Panchmahal District, out of 270 milk pouches received on the day of visit, 142 (53 *per cent*) pouches were lying unused and the schools had no facility for storing the same in cold condition for its use later or next day. Audit further observed during joint field visit that used milk pouches were being thrown in the open or being burnt in the open, which could cause environmental risk.

The Department did not furnish any reply. However, in the exit conference, the Secretary stated (19 June 2019) that information from the Districts would be obtained and corrective actions would be taken.

3.1.5 Serving of Meal

3.1.5.1 Centralised kitchens managed by NGOs

The scheme guidelines (2006) and MHRD instructions issued in September 2010 and September 2017 provide for engagement of NGOs in urban areas for operating centralised kitchens, where there are space constraints. Accordingly, three NGOs have been engaged in five District places¹⁶ and five Municipal Corporations (MCs)¹⁷ areas.

14 The scheme was implemented by Tribal Development Department, hence, the extent of implementation of the scheme was not covered in Audit

15 Deodar and Vav (Banaskantha) and Sahera (Panchmahal)

16 Ahmedabad, Gandhinagar, Navsari, Vadodara and Valsad

17 Ahmedabad MC, Bhavnagar MC, Rajkot MC, Vadodara MC and Surat MC

Audit test-checked the records of two NGOs¹⁸ operating centralised kitchens in test-checked Districts (VMC area and District places of Vadodara and Valsad). The audit findings are discussed below -

- ***Hot meal not served***

As per instructions issued (September 2017) by MHRD, food delivered from centralized kitchens to schools should have minimum temperature of 65°C at the time of serving. During joint field visit of schools in Valsad District, Audit observed that the food served by the NGO was not hot and none of the schools visited, had the facility to check the temperature. In Vadodara District, audit checked the temperature of the food at the time of serving in a school and found that the temperature was below the norms.

The Secretary in the exit conference (19 June 2019) stated that a system for measuring the temperature at the time of serving would be developed and delivery of hot cooked food as per scheme guidelines would be ensured.

- ***Non-verification of quantity and nutritional value of cooked food***

MDM Rules, 2015 issued under the National Food Security Act, 2013, *inter alia*, provide that hot cooked meal provided to children shall be evaluated and certified by the Government Food Research Laboratory or any other laboratory accredited or recognized by law so as to ensure that the meal meets with the prescribed nutritional standards and quality.

Audit observed that the Commissioner had not developed any mechanism to check whether the NGOs served the prescribed quantity and quality of food as neither the Commissioner nor the District authorities of Vadodara and Valsad Districts took samples of cooked food for testing to measure the nutritive value during 2015-16 to 2017-18. The Report of Joint Review Mission¹⁹ (JRM) team which visited (March 2018) the schools of Vadodara pointed out that the food served by the NGO did not meet the nutritional value prescribed under MDM.

Revised scheme guidelines (2017) of centralized kitchens envisage that the weight norms per cooked meal in accordance with the menu should be finalized through mutual consultation between the State authorities and the NGO to ensure adequate supply of hot cooked food as per the norms. However, Audit observed that the Commissioner had not prescribed any weight norms for cooked meal. Further, there was no system for test-checking the weight of food delivered at schools.

The Commissioner stated (January 2019) that a system to measure nutritional value, temperature and weight norms would be developed. This indicated lack of monitoring by the Department over the NGOs for ensuring the supply of meals as per prescribed norms. The Secretary in the exit conference (19 June 2019) stated that instructions in this respect would be issued and its implementation accordingly would be ensured.

18 Akshaya Patra serving MDM in schools run by Vadodara VMC and District place (Vadodara (City), Vadodara (Rural), Padra and Waghodia) and Stree Shakti serving MDM in Valsad District (Valsad, Pardi, Umargaon and Vapi)

19 Constituted in 2009 by GoI in various States across the country to review the performance of the Scheme in the light of the guidelines of MDM Scheme and to suggest policy measures for effective implementation of the Scheme. The team consists of health and nutritional expert drawn from various Universities and Government Organizations.

3.1.6 Financial Management

3.1.6.1 Budget and Expenditure

GoG makes budget provision for the expected GoI share along with its own share²⁰. GoI share is credited into the Consolidated Fund of the State which is placed at the disposal of the Education Department along with State share, who, in turn, releases the grants to District and Taluka level implementing agencies of the scheme through the Commissioner MDM. The details of budget allocation, grant released and expenditure incurred under the scheme during 2015-16 to 2017-18 are shown in **Table 4** –

Table 4: Details of budget allocation and expenditure

(₹ in crore)

Year	Budget allocation			Grant released			Expenditure			Percentage of expenditure to grant released
	GoI	GoG	Total	GoI	GoG	Total	GoI	GoG	Total	
2015-16	432.32	470.14	902.46	388.30	458.22	846.52	396.35	442.44	838.79	99
2016-17	424.68	523.44	948.12	330.66	498.22	828.88	323.46	485.02	808.48	98
2017-18	408.50	517.48	925.98	398.56	503.25	901.81	386.33	386.53	772.86	86

(Source: Information provided by the Commissioner of MDM)

The shortfall in expenditure during 2017-18 was mainly due to the failure of GSCSC in procurement of food grains for State sponsored scheme of free food grains to tribal girls, decline in the prices of pulses and shortfall in pulse procurement.

3.1.6.2 Over-reporting of expenditure

The scheme guidelines provide for grant under the component of Management, Monitoring and Evaluation (MME), 50 *per cent* of which can be utilized at State level and the remaining 50 *per cent* at school level for expenditure relating to man power, transportation, furniture, *etc.* as the State Government may think fit.

During 2015-16 to 2017-18, MHRD released ₹ 21.62 crore to GoG under MME. Of this, the ED released ₹ 20.16 crore to the Commissioner (MDM). Scrutiny of records revealed that the Commissioner had submitted utilisation certificate for ₹ 20.17 crore stated as fully utilised, though only ₹ 7.46 crore had been utilised by the Commissioner for office expenses and salary of contractual staff at the Commissioner, District and Taluka levels and an unspent balance of ₹ 28.62 crore was lying in the Bank account with the Commissioner (includes unspent balance of previous years and interest earned). Audit further observed that no funds have been expended at the school level during 2015-16 to 2017-18. The Commissioner stated (October 2018) that the MME funds are of permanent nature and non-lapsable so utilisation certificate for entire funds was given. Thus, incorrect utilisation certificate had been submitted by the Commissioner to the Ministry.

20 Including provision for two State Sponsored Scheme (“Doodh Sanjivani” and “Ann Triveni”)

3.1.6.3 Wasteful expenditure on modern kitchen equipment

The Principal Secretary (PS) of ED based on a letter from MHRD proposed (April 2014) to upgrade the kitchens by providing high capacity cooking equipment such as pressure cooker, pans, dhokla maker, chutney maker, gas burner, *etc.* on pilot basis in 500 schools having more than 500 students, with a view to increase the nutritional value of the food as the existing kitchens were traditional and labour intensive.

It was proposed (April 2014) that a school kitchen would be converted into centralized kitchen from where nearby schools could be served MDM. Based upon this, a provision of ₹ 25.00 crore was made in the budget for the year 2014-15 for modernizing 500 schools. In September 2014, the Additional Chief Secretary (Finance Department) instructed the ED to implement this project initially in 50 schools on pilot basis as against 500 schools proposed by the ED. Accordingly, ED accorded administrative approval (September 2014) for 50 schools with the condition that the project should be implemented on turnkey basis, with one year's warranty and two years' annual maintenance contract. It further provided that the project in the remaining 450 schools shall be implemented only after conducting third party analysis of the impact of the project and specific proposal of the Commissioner of MDM. However, ED in February 2015, accorded administrative approval for the remaining 450 schools without assessing the fulfillment of the conditions contained in the earlier approval. The ED provided equipment worth ₹ 53.42 crore to 756 schools²¹ during 2014-15 and to 500 schools in 2015-16.

Audit observed that the letter of MHRD referred and considered by ED for implementation of the project had no mention about modernizing kitchens, but it mentioned only the poor nutritional status of school students in the country. During joint visit (June to August 2018) of schools, it was observed that the equipment provided during 2015-16 and 2016-17 to 64 schools in seven test-checked Talukas²² were not put to use and were lying idle since their supply.

The Secretary in the exit conference (19 June 2019) stated that the Department was much concerned about the non-utilisation of equipment; however, the possibility of its utilisation in some other Department where they could serve with utility would be evaluated.

3.1.7 Quality control

3.1.7.1 Checking the quality of food grains on delivery

As per instructions issued (August 2012 and January 2017) by the Commissioner MDM, each Deputy Collector and Mamlatdar at the District and Taluka levels are required to take 10 samples per month randomly of uncooked food items from the schools and get them tested from Government Laboratories of Food and Drugs Control Administration (FDCA), Municipal Corporations and Forensic Science Laboratories (FSL).

From the records of Annual Work Plan and Budget furnished by the Commissioner (MDM) for 2017-18, Audit observed that 220 samples were tested. The

21 During 2014-15 out of savings from the grant 256 more schools were covered

22 Banaskantha (Danta-14, Deodar-07 and Vav-13), Panchmahal (Godhra-12 and Sahera-11), Vadodara (Karjan-02) and Valsad (Kapra-05)

records also mentioned that out of these, 52 samples (24 *per cent*) were found sub-standard. Audit could not vouchsafe whether adequate number of quality checks were exercised or not at Districts and Talukas during 2015-18, as no records were found maintained in this regard.

The Commissioner stated (January 2019) that GSCSC is responsible for taking necessary action for sub-standard quality.

3.1.7.2 Testing of cooked food

MDM Rules (September 2015) in accordance with National Food Security (NFS) Act, 2013 provide for testing of cooked food for checking the nutritive value by FDCA. During 2015-18, FDCA had taken 1,850 samples of cooked food for quality testing from MDM Centers and centralized kitchen operated by NGOs. Of these, 16 samples had failed the quality test. However, Audit observed that FDCA had not conducted any testing to check the nutritive value of food as envisaged in the MDM Rules.

The Secretary in the exit conference (19 June 2019) stated that testing of cooked food by the Commissioner (FDCA) would be ensured.

3.1.8 Availability of Manpower

The status of availability of staff against the posts sanctioned under the scheme as of March 2018 at State, District and Taluka levels are shown in **Table 5** –

Table 5: Status of availability of staff as on 31 March 2018

Levels	Posts	Sanctioned posts	As on 31 March 2015			Sanctioned posts	As on 31 March 2018		
			Posts filled up	Vacant posts	Percentage of vacancy		Posts filled up	Vacant posts	Percentage of vacancy
State	Commissioner	1	1	0	0	1	1	0	0
	Joint Commissioner	1	1	0	0	1	0	1	100
	Assistant Commissioner	2	1	1	50	2	1	1	50
	Deputy Mamlatdar	3	3	0	0	3	3	0	0
District	Deputy Collector	31	8	23	74	33	16	17	52
	District Primary Education Officer	11	3	8	73	12	6	6	50
Taluka	Deputy Mamlatdar	410	226	184	45	410	176	234	57
	MDM supervisor	129	100	29	22	201	182	19	9

(Source: Information provided by the Commissioner, MDM)

The above table shows that there was shortfall of staff at the District and Taluka levels. The posts of Deputy Collector and Mamlatdar/Deputy Mamlatdar are the key posts for the efficient implementation of the scheme. The vacancy in these posts was 52 and 57 *per cent* respectively as of March 2018. The shortfall in key posts had resulted in deficiencies in inspection and monitoring of the scheme as discussed in the succeeding paragraphs.

3.1.8.1 Shortfall in inspection of schools

The scheme guidelines provide that modalities for inspection of MDM schools shall be developed by the State Government. The ED prescribed norms of inspection in April 1985 and reiterated them in April 2002²³.

As per the Quarterly Progress Report (QPR) submitted to the GoI during 2015-16 to 2017-18, the Commissioner had reported conduct of inspection of 73,999 schools (219 *per cent*), 61,991 schools (185 *per cent*) and 56,398 schools (172 *per cent*) during 2015-16, 2016-17 and 2017-18 respectively as against 34,511 schools, 33,771 schools and 33,453 schools reported as covered in AWP&B during 2015-16, 2016-17 and 2017-18 (shown in Table 1). However, Audit observed shortfall in inspection by the Deputy Collectors in test-checked Districts and by the Mamlatdars, Deputy Mamlatdars and MDM supervisors in test-checked Talukas during 2015-16 to 2017-18 as against the number of inspections prescribed by ED as shown in **Table 6**, which shows over reporting of inspection of schools by the Commissioner to GoI.

Table 6: Shortfall in inspection during 2015-16 to 2017-18

Year	Test checked Districts				Test checked Talukas			
	Target ²⁴	Achievement	Shortfall	Percentage of Shortfall	Target	Achievement	Shortfall	Percentage of shortfall
2015-16	1100	213	887	81	22110	6219	15891	72
2016-17	1320	187	1133	86	31350	10917	20433	65
2017-18	1320	177	1143	87	31350	8808	22542	72
Total	3740	577	3163		84810	25944	58866	

(Source: Information obtained from the MPRs of test-checked Districts)

The above table shows that the shortfall in inspection at District level carried out by the Deputy Collectors ranged between 81 *per cent* (2015-16) to 87 *per cent* (2017-18) and the shortfall in inspection at Taluka level by the Mamlatdars, Deputy Mamlatdars and MDM supervisors ranged between 65 *per cent* (2016-17) and 72 *per cent* (2015-16 and 2017-18).

Further, the MPRs of the test-checked Districts reported only the number of inspections done during a particular period and not the number of schools inspected, so the reporting by Commissioner to GoI was done without any basic information from the Districts. Audit further observed that the inspections claimed to have been done, were not supported by inspection reports, action taken thereon and/or follow-up of inspection.

The Commissioner replied (Janaury 2019) that due to acute shortage of staff at District and Taluka levels, inspection could not be done as per norms. The Secretary in the exit conference (19 June 2019) also attributed the reasons for shortfall in inspection to huge vacancy in various cadres and stated that they would review the vacancy position and efforts would be taken to fill the vacancies at the earliest.

Thus, the inspection mechanism envisaged by ED was not effectively implemented.

23 Deputy Collector - 20, Mamlatdar - 10, Deputy. Mamlatdar (Inspection) - 20, Deputy Mamlatdar (Administration) - 10 and MDM supervisor - 20

24 During 2015-16 inspection data for Banaskantha was not available so not included.

3.1.8.2 Working of School Management Committees

MDM Rules 2015 envisage that the School Management Committee (SMC) mandated under RTE Act, 2009 shall also monitor the implementation of MDM scheme and shall oversee quality of meals provided to the children, cleanliness of the place of cooking and maintenance of hygiene.

During joint field visit (June to August 2018) of schools, Audit scrutinised the minutes of the SMC which revealed that issues relating to MDM scheme were not discussed. Interaction with SMC members by Audit revealed that they were not aware of the entitlements of students, status of food stock received at school, quality of food stock and other scheme related issues. This issue was also pointed out by the Joint Review Mission team of the MHRD in its report of 2013. The Commissioner stated (January 2019) that SMC members have been given the scheme information and they would be provided training about scheme implementation. Thus, community monitoring of the scheme was not functioning effectively.

3.1.9 Impact Assessment by Joint Review Mission

GoI constituted (2009) Joint Review Missions (JRM) to review the implementation of the scheme. The 10th JRM team visited the State between 05 March and 12 March 2018 and covered 1,000 students of Banaskantha and Vadodara Districts. The mission reported that 30 *per cent* students were moderately thin and 13 *per cent* students were severely thin. The prevalence of high stunting²⁵ was reported between 4.2 and 5.4 *per cent* of students and moderate stunting was reported in 18.70 *per cent* students. Prevalence of severe underweight was reported in 12.90 *per cent* students whereas 34 *per cent* students were moderately underweight. JRM analysed the nutritional value of food taken by the students and reported that it was deficient in both the component of energy and protein against the norms of MDM for the measured quantity of food.

3.1.10 Conclusion

Audit observed incorrect reporting by the Commissioner (MDM) to the GoI in respect of coverage of schools and students under the scheme. The number of schools reported as covered in AWP&B was more than the actual number of schools in the State as per the records of SSA. Similarly, there was variation in coverage of students reported by Commissioner with respect to the figures reported by test-checked Districts.

The Commissioner has been under-reporting the closing stock of food grains to GoI during 2015-18, however, there was huge closing stock of food grains at the godowns of GSCSC. The objective to have a uniform menu throughout the State to enhance the nutritional intake of students by dividing single meal into breakfast and lunch was not achieved. Checks to ensure use of quality food articles for supply of cooked food to children were not being applied effectively.

25 Prevents from growing and developing properly

PANCHAYATS, RURAL HOUSING AND RURAL DEVELOPMENT DEPARTMENT

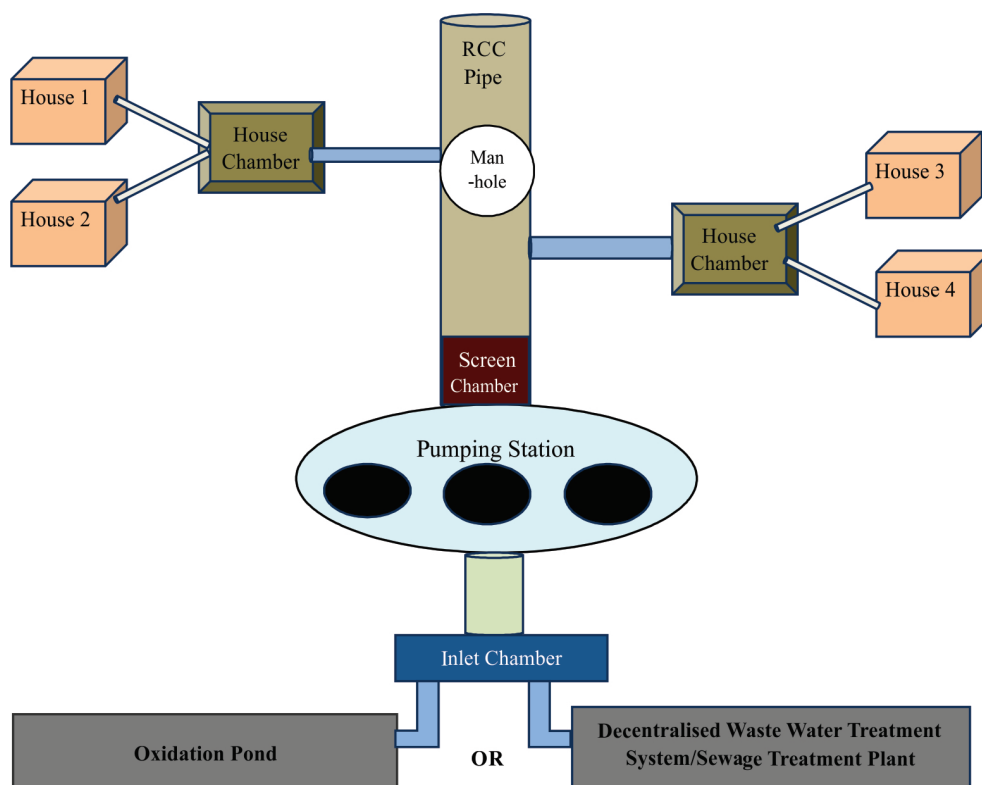
3.2 Implementation of Underground Drainage System under Rurban Scheme

3.2.1 Introduction

Government of Gujarat launched (March 2009) “Rurban Scheme” with the objective of providing urban type facilities in rural areas. The larger outcome of the Scheme was to bridge the rural-urban divide *viz.* economic, technological and those related to facilities and services. The Scheme was, initially planned to be implemented in all Taluka Headquarters having Gram Panchayats (GPs) with population more than 10,000 (7,000 in case of tribal villages). The Scheme envisaged execution of seven components namely, drinking water, approach/ internal roads, health facilities, quality education, underground drainage system, solid and liquid waste management and transportation.

Of the seven components, the State Government decided to implement one component *i.e.* underground drainage system (UDS) in 255 targeted villages in two phases. In first phase, 84 villages were identified, which included three villages where UDS was taken up as pilot project. Following the success of pilot projects, UDS was to be introduced on a larger scale in 81 villages.

The objective of UDS is to ensure that sewage discharge from the communities is properly collected, transported, treated and disposed of safely/reused without causing health or environmental risks. A typical UDS consists of a sewer network, manholes, service connections, sewage lifting/pumping stations, oxidation pond/ decentralised waste water treatment system/a sewage treatment plant (STP), as shown in the schematic diagram below.



The first phase commenced in 2011. As of November 2018, 68 of 84 UDS projects had been completed, 11 were under execution while five had been abandoned largely due to public agitation, land acquisition problem, *etc.* Thereafter, as of September 2019, only one ongoing project has been completed. The UDS project in the remaining 171 villages, proposed to be taken up in second phase, did not commence as of September 2019.

In order to seek an assurance that UDS projects taken up in first phase had been implemented effectively and efficiently, Audit selected 19²⁶ of 84 projects (16 completed and three ongoing) from 11 of 33 District Panchayats²⁷ (DPs) across four regions of Gujarat through simple random sampling without replacement method. For this purpose, Audit test-checked (February 2018 to July 2018) the records of 19 GPs and 11 DPs, Development Commissioner (DC), Panchayat, Rural Housing and Rural Development Department (PRH&RDD) for the period 2012-18.

The District Development Officers (DDOs) of DPs were responsible to implement the projects approved by State Government. Thereafter, the completed projects were to be handed over to the concerned GPs for providing house connections and operations and maintenance (O&M).

Audit also conducted joint inspection of assets created under 16 completed UDS projects along with the Talati-cum-Mantri²⁸ (TCM) of the concerned GP. In order to assess health and environmental issues, Audit along with officials of the Gujarat Pollution Control Board (GPCB) collected samples of treated water from various oxidation ponds/decentralised waste water treatment system and got the same tested in the laboratories of GPCB.

The findings of audit were benchmarked against detailed project reports (DPRs), Gujarat Public Works Manual, resolutions/instructions issued by the State Government from time to time for implementation of UDS projects, Manual of Central Public Health and Environmental Engineering Organisation (CPHEEO) *etc.*

An exit conference was held with the Principal Secretary, PRH&RDD on 29 November 2018 to discuss the audit findings. The response of the State Government was received in November 2018 and the same had been suitably incorporated in the audit paragraphs.

Audit findings

3.2.2 Adequacy of planning

3.2.2.1 Non-preparation of city sanitation plan

As per Manual on Sewerage and Sewage Treatment Systems issued by CPHEEO in November 2013, urban local bodies (ULBs) should have a city sanitation plan (CSP) and undertake to implement it for all its citizens in an economic, environment-friendly and sustainable manner. The CSP should be prepared

26 DP Aravalli (02 projects at Dhansura and Meghraj GPs); DP Banaskantha (02 projects at Ambaji and Deodar GPs); DP Dahod (02 projects at Garbada and Limkheda GPs); DP Gandhinagar (01 project at Randheja GP); DP Jamnagar (02 projects at Jodiya and Lalpur GPs); DP Junagadh (02 projects at Bhesan and Mendarda GPs); DP Kutch (02 projects at Mundra and Naliya GPs); DP Mahisagar (02 projects at Kadana and Virpur GPs); DP Mehsana (01 project at Gozariya GP); DP Tapi-Vyara (02 projects at Nizar and Valod GPs); and DP Valsad (01 project at Kaprada GP)

27 The DPs were responsible for execution of UDS projects.

28 A Government officer who administers the affairs of GP.

keeping in view the city's current sanitation arrangement and their technical and financial capability to take up new projects. It would be prudent to assess and improve the effectiveness of the existing facilities before embarking on new projects. The State Government decided (January 2011) to follow the same criteria for UDS projects taken up under Rurban as fixed by CPHEEO for the ULBs. Audit observed that none of the 11 selected DPs had prepared CSP before embarking on UDS projects.

The Development Commissioner stated (August 2018) that the projects were undertaken based on the DPRs.

3.2.2.2 Deficiencies in detailed project reports

The planning for a project and achievement of the desired objectives is primarily based on DPRs. Faulty DPRs result in inaccurate cost estimates and leads to significant time and cost overrun.

As per Manual on Sewerage and Sewage Treatment Systems issued by CPHEEO in November 2013, physical aspects such as, sub-soil conditions, depth of ground water, design of sewers and location of STPs, location of streets and adjoining areas, effluent disposal sites and their availability *etc.* should be surveyed before preparation of DPRs.

The Gujarat Rural Housing Board (GRHB) was designated as the State nodal agency for village surveys and preparation of DPRs for UDS projects through private Consultants selected *via* tendering process. In 19 selected UDS projects, Consultants hired by GRHB prepared the DPRs by collecting data from the GPs, without actually conducting physical surveys of villages. As a result, Audit came across instances of improper selection of sites, under-coverage of existing area by sewer network, delay in completion of projects due to non-assessment of soil strata, leading to time and cost overrun. There was also no oversight mechanism in PRH&RDD to check the veracity and accuracy of DPRs prepared by private Consultants.

Incidentally, the Secretary, PRH&RDD acknowledged (June 2014) that there had been deficiencies in preparation of DPRs in that they deviated from the ground realities and thus, led to either redesigning of components or employment of alternate technology, which had attendant cost implications.

The State Government also acknowledged (November 2018) that the Consultants prepared the DPRs through topography instead of physical survey, which led to deficiencies during execution of projects.

3.2.2.3 Non-inclusion of operations and maintenance cost

PRH&RDD issued directives in December 2010 that all UDS projects taken up under Rurban shall have an element of O&M which would invariably form part of the tender. In line with above directives, only one²⁹ of 84 UDS projects was implemented along with O&M for five years. However, in the remaining 83 UDS projects (including 19 selected projects), PRH&RDD, while vetting the tenders, accorded approval only for civil works (excluding the O&M component), on the grounds that policy for O&M had not been finalised.

29 Randheja pilot project

As a result, of the 16 completed projects in the selected GPs, nine³⁰ projects (including Randheja pilot project) had been taken over by the GPs for O&M purpose. The remaining seven³¹ projects were not taken over by the GPs due to their poor financial condition, and these were being maintained by the concerned DPs. Even eight of nine projects, which had been taken over by the GPs, were beset with high O&M costs. The estimated cost of O&M in 15 of the 16 completed UDS projects ranged from ₹ 5.20 lakh per year to a staggering ₹ 34 lakh per year.

In order to tide over the problem, PRH&RDD decided (March 2015) to provide a uniform grant of ₹ five lakh per year to each GP for a period of five years for O&M, without considering the size or scale of the projects. Audit observed that despite extending the grant of ₹ five lakh per year, the GPs continued to struggle due to their poor financial condition and high cost of O&M, coupled with lack of technical expertise, skilled manpower and modern equipment.

In essence, the responsibility for O&M of UDS projects was thrust upon the GPs without assessing their financial and institutional capacity.

3.2.2.4 Inadequate supply of water

Adequate supply of water to households facilitates generation of more waste water in the sewage lines and thus, avoids choking of pipelines and emission of toxic gases.

The PRH&RDD in its directives of March 2009 emphasised that UDS projects should be taken up only after ascertaining the availability of water in the villages for next five years. In the meeting held with DPR Consultants (January 2011) under the Chairmanship of Additional Chief Secretary, Rural Development Department, it was decided that the rate of water supply for Rurban drainage projects shall not be less than 100 litre per capita per day (lpcd). Further, while according technical sanctions to UDS projects, Gujarat Water Supply and Sewerage Board (GWSSB) reiterated the requirement of water supply at 100 lpcd prior to commencement of all drainage projects.

Audit observed that only DP, Banaskantha had ensured 100 lpcd of water for the Deodar drainage project. In the remaining 18³² selected projects, the supply of water was 24 lpcd to 82 lpcd. During joint inspection of selected GPs with TCMs, Audit observed overflowing house chambers and manholes, due to choking of pipelines/main sewer lines in 10³³ of 19 selected projects. As a result, waste water was not reaching the pumping stations for further treatment in oxidation ponds/decentralised waste water treatment system/STP.

The State Government accepted that water supply at 100 lpcd could not be achieved before implementation of UDS projects. However, all out efforts were being made to ensure adequate supply of water to Rurban villages.

30 Deodar, Dhansura, Gozariya, Lalpur, Naliya, Nizar, Randheja, Valod and Virpur

31 Ambaji, Bhesan, Garbada, Jodiya, Kaprada, Limkheda and Mendarada

32 Ambaji: 66 lpcd, Bhesan: 79 lpcd, Dhansura: 31 lpcd, Garbada: 32 lpcd, Gozariya: 75 lpcd, Jodiya: 36 lpcd, Kadana: 76 lpcd, Kaprada: 45 lpcd, Lalpur: 56 lpcd, Limkheda: 28 lpcd, Meghraj: 31 lpcd, Mendarada: 83 lpcd, Mundra: 67 lpcd, Naliya: 53 lpcd, Nizar: 26 lpcd, Randheja: 80 lpcd, Valod: 24 lpcd and Virpur: 63 lpcd

33 Bhesan, Dhansura, Gozariya, Jodiya, Mendarada, Naliya, Nizar, Randheja, Valod and Virpur

3.2.3 Financial management

The funds for UDS projects under Rurban Scheme are released to the DPs by PRH&RDD through the DC. During 2009-18, PRH&RDD released ₹ 949.68 crore³⁴ for execution of 84 UDS projects under first phase. As of March 2018, DPs incurred an expenditure of ₹ 681.75 crore out of ₹ 797.79 crore received from PRH&RDD, leaving an unspent balance of ₹ 116.04 crore.

Of the unspent balance of ₹ 116.04 crore, ₹ 18.96 crore pertained to 11 ongoing projects while ₹ 97.08 crore pertained to 68 completed projects which lay unspent with the respective DPs and not surrendered to Government, in contravention of Rule 154 (5) of Gujarat Financial Rules, 1971. Further, holding of unspent balances (₹ 97.08 crore) by the DPs made little economic sense considering the fact that the State Government was paying an interest of 6.75 *per cent* per annum to NABARD on the borrowed funds. Had the State Government credited the unspent amount into the loan account timely, the interest liability of the Government could have been reduced.

The State Government accepted the audit observation and stated that instructions would be issued to all the DPs to refund the unspent balances.

3.2.4 Implementation of UDS projects

3.2.4.1 Inadequate coverage of households

One of the objectives of the UDS is to tap the domestic waste water and excrement of the households by providing connectivity with the main sewer. Optimum coverage of households with completed drainage systems is essential to avoid accumulation of solid waste in sewer lines, generation of toxic gases and backflow of drainage. The GPs were responsible for house connections with completed UDS projects.

In the meeting held with DPR Consultants (January 2011) under the Chairmanship of Additional Chief Secretary, Rural Development Department, it was emphasised that sanitation coverage should be more than 80 *per cent*, but, 100 *per cent* was always desirable, for successful functioning of drainage systems. Further, Manual on Sewerage and Sewage Treatment Systems issued by CPHEEO in November 2013 envisaged the compelling need to amend the by-laws to make it compulsory for the population to avail of house service sewer connections, wherever a public sewer is provided and if this is not forthcoming, the local authority shall affect the house sewer connection and institute revenue recovery proceedings. Accordingly, PRH&RDD issued directives (February 2013) to all GPs to prepare by-laws for house connections with completed drainage projects.

Audit observed that the DC did not have any information on the number of households connected with 68 completed UDS projects under first phase. On enquiry by Audit, DC collected and provided information on 42 of 68 completed UDS projects. Information provided by DC revealed that only 53,848 of 1,04,883 households (51 *per cent*) had been connected with 38 completed UDS projects. In 19 selected UDS projects, only 27,302 of 64,003 households (43 *per cent*) had been connected with 16 completed UDS projects. Further, none of the 19

34 ₹ 797.79 crore released to DPs, which includes a loan of ₹ 528.17 crore from NABARD; ₹ 7.09 crore released to GRHB for village surveys; and ₹ 144.80 crore released to GWSSB for second phase of UDS projects

selected GPs prepared by-laws for house connections, despite PRH&RDD's directives of February 2013.

The State Government stated that instructions would be issued to DPs to ensure that all the houses are connected with completed UDS projects by the GPs on top priority.

3.2.4.2 Time and cost overrun in 19 selected UDS projects

Of the 19 selected UDS projects, 16 projects had been completed and three were in progress/incomplete as of November 2018. These 16 projects registered a time overrun of five months to 67 months and cost overrun of ₹ 22.23 crore (total expenditure incurred ₹ 202.23 crore). A brief account of time and cost overrun in 19 selected UDS projects is given below.

- As per work orders, all the UDS projects were to be completed within one year from the dates of award. The 16 completed projects were awarded between July 2011 and January 2014. These were, however, completed after delays ranging from five months to 45 months *i.e.* four months to 12 months (seven projects), 12 months to 23 months (six projects) and 33 months to 45 months (three projects). The delays were mainly due to formulation of defective DPRs, non-acquisition of land for pumping stations/oxidation ponds, delay in receipt of permission for road crossings, change of sites for pumping stations/oxidation ponds *etc.* An expenditure of ₹ 174.36 crore was incurred on these 16 completed projects (against tendered cost ₹ 152.13 crore), leading to cost overrun of ₹ 22.23 crore.
- Three projects³⁵ were in progress (expenditure incurred ₹ 27.87 crore), with time overrun of 51 months to 67 months as of November 2018. The UDS projects in Kadana and Mundra GPs, awarded in April 2012 and August 2013 respectively, remained incomplete due to non-acquisition of land for oxidation ponds. The UDS project in Meghraj GP also awarded in April 2012 remained incomplete for want of electricity connection for pumping station. There was no cost overrun in these three projects (tendered cost ₹ 28.38 crore).

3.2.4.3 Status of implementation of 16 completed UDS projects

Of the 16 completed projects, five were operational, six were partially operational and the remaining five were non-operational/idle. Audit observed that of the five operational projects, only Randheja pilot project in Gandhinagar district was running successfully.

Success Story of Randheja project

The contract for Randheja pilot project was awarded in July 2011 along with O&M for five years. The project was completed in June 2013 at a total cost of ₹ 7.53 crore. The project was functioning successfully with coverage of 89 per cent households and recurring expenses were being borne by the GP even after completion of O&M period of five years. The success of the project may possibly be due to the reasons that the contract for civil works along with O&M for all the five years was awarded together, adequate water supply was available, and villagers were more aware, etc. Test reports of treated waste water from Randheja treatment plant showed (June 2018) biochemical oxygen demand³⁶ (BOD) to the extent of only 12 mg/l against the ideal level of 25 mg/l.

35 Kadana, Meghraj and Mundra

36 BOD has traditionally been used to measure the strength of effluent released from conventional sewerage treatment plants to surface water or streams. A high BOD indicates high concentration of contaminants in the waste water.

The remaining four³⁷ operational projects, completed between May 2014 and October 2018 at a cost of ₹ 44.51 crore, showed high BOD levels between 47 mg/l and 300 mg/l against the benchmark of 25 mg/l. The treated waste water with high BOD was being discharged in open course/nallahs, thus, exposing the environment and public health at risk. This also indicated that the oxidation ponds/decentralised waste water treatment plants in these four projects were either not functioning properly or not designed appropriately to treat waste water.

The six³⁸ partially operational projects were completed between November 2013 and April 2015 at a cost of ₹ 77.08 crore. During joint inspection of these projects, Audit observed that due to inadequate supply of water and fewer household connections (52 *per cent*) with the sewerage infrastructure, there was severe clogging of sewer lines/manholes, leading to overflowing of waste water into open course/water bodies (village pond/river). This also leads to less intake of waste water into the oxidation ponds/decentralised waste water treatment systems for treatment purpose, and defeated the very objective of reuse of waste water.

The remaining five³⁹ projects (total expenditure incurred ₹ 45.24 crore) were non-operational/idle (November 2019) since their completion between June 2014 and August 2016. In three of five completed projects (Ambaji, Kaprada and Limkheda), the GPs did not take over the projects due to their poor financial condition. Consequently, none of the 8,917 households in these three GPs could be connected with the completed drainage systems. In one project (Garbada), only three *per cent* of households had been connected with the drainage system. In Jodiya GP, the UDS project remained dysfunctional due to disconnection of electricity by the electricity distribution company, as the GP failed to pay the arrears of electricity bills. Due to non-availability of electricity, the pumping station remained non-operational for long periods leading to choking of sewer lines and overflowing of manholes at various locations. In Ambaji GP, manholes and house chambers of the UDS were also found to be permanently covered by asphalt/reinforced cement concrete roads, thus, rendering future cleaning and house connections impossible.

Thus, except for Randheja pilot project, 15 of 16 projects completed between November 2013 and October 2018 at a total capital cost ₹ 166.83 crore had been saddled with multiple problems and therefore, either not being used or partially used. Moreover, the success story of Randheja pilot project could not be replicated in other UDS projects, as most of them were implemented simultaneously with the pilot project.

Apart from above, Audit observed that six⁴⁰ pumping stations, two⁴¹ oxidation ponds, five⁴² decentralised waste water treatment systems and the STP at Ambaji had been constructed alongside rivers/open nallahs, in contravention of the provisions⁴³ of the Manual on Sewerage and Sewage Treatment Systems issued by CPHEEO in November 2013. The pumping station at Naliya GP was

37 Gozariya, Lalpur, Nizar and Valod

38 Bhesan, Deodar, Dhansura, Mendarada, Naliya and Virpur

39 Ambaji, Garbada, Jodiya, Kaprada and Limkheda

40 Kadana: 01, Lalpur: 01, Meghraj: 03 and Naliya: 01

41 Deodar and Virpur

42 Kaprada: 02 and Ambaji: 03

43 The pumping stations should be so located and constructed that it will not get flooded at any time.

constructed in the vicinity of village pond. The pumping station was found damaged due to ingress of rain water during monsoon season. Similarly, an open nallah runs through the STP at Ambaji GP which has severely eroded the foundation of the STP.



The State Government accepted the facts and stated that instructions would be issued to DPs to take necessary action to make all the projects fully operational on highest priority. Besides, instructions would also be issued to all the GPs to conduct awareness programmes to achieve maximum house connections for optimum utilisation of UDS projects.

The State Government added that sites for waste water treatment infrastructures were selected based on the availability of Government land in the respective GPs.

The reply is not tenable because (i) the selection of sites *per se* was wrong for which the DPR Consultants along with DPs and GPs were jointly responsible, and (ii) the sites in question should have been verified/checked before these were finally released for construction of waste water treatment infrastructures.

3.2.5 Other significant issues

3.2.5.1 Employment of manual scavengers

The Prohibition of Employment as Manual Scavengers and their Rehabilitation Act, 2013 and Rules made there under by GoI prohibits manual cleaning, carrying, disposing of, or otherwise handling in any manner, human excreta in any insanitary latrine or in an open drain or pit into which the human excreta are disposed of. PRH&RDD also issued instructions (June 2014) to all DPs, Taluka Panchayats and GPs to prohibit employment of manual scavengers for cleaning of UDS with immediate effect.

Audit observed that 10⁴⁴ of 15 selected GPs (except Gozariya) did not have jetting-cum-cleaning machinery. During joint inspection of two GPs (Mendarada and Valod), Audit observed that manholes were being cleaned by employing manual scavengers, without any safety equipment/gear. Incidentally, the onus of procurement of jetting-cum-cleaning machinery for cleaning of UDS lied with DPs. However, none of the selected DPs procured the requisite machinery as of November 2018.

44 Bhesan, Deodar, Dhansura, Gozariya, Lalpur, Mendarada, Naliya, Nizar, Valod, and Virpur (excluding 05 non-operational projects)

The State Government stated that DPs have been instructed again to stop the practice of employment of manual scavengers. During exit conference, Principal Secretary instructed all the DDOs to purchase jetting-*cum*-cleaning machinery and stop employment of manual scavengers.

3.2.5.2 Follow-up of Audit Report

Mention was made in Paragraph 2.2 of the Report of the Comptroller and Auditor General of India on Local Bodies for the year ended 31 March 2016 (Report No. 2 of 2017), Government of Gujarat regarding idle expenditure of ₹ 13.24 crore on three⁴⁵ UDS projects on account of failure of concerned GPs to provide house connections till December 2016, since completion of these projects between September 2013 and October 2013.



As part of follow-up protocol, Audit visited (November 2019) one of the three GPs (Morva Hadaf) to verify whether the UDS project completed in October 2013 at cost of ₹ 4.69 crore was functional. Audit observed that the project has eventually become redundant as the oxidation pond constructed under the project was subsequently converted into cement concrete ground for a Government College.

3.2.6 Conclusion and recommendations

Implementation of 18 out of 19 UDS projects taken up under Rurban Scheme was far from satisfactory even after spending ₹ 194.70 crore⁴⁶ and lapse of six years (from 2012 to 2018), due to flaws in planning. Projects were taken up without city sanitation plans; project reports were prepared without site surveys; adequate supply of water was not ensured before commencement of projects; house connections with completed UDS was poor; sites selected for pumping stations and treatment plants were prone to water-logging during monsoon season; and responsibility of operation and maintenance of completed projects was thrust upon Gram Panchayats without assessing their institutional and financial capacity. The District Panchayats did not ensure availability of jetting-*cum*-cleaning machinery.

Recommendations: The State Government may (i) ensure adequate supply of water to households in completed UDS projects for their efficient functioning, and (ii) develop a mechanism to operate and maintain the sewerage infrastructures on a sustainable basis.

⁴⁵ Bakor, Jambughoda and Morva Hadaf

⁴⁶ ₹ 166.83 crore spent on 15 completed projects + ₹ 27.87 crore spent on 03 incomplete projects

SOCIAL JUSTICE AND EMPOWERMENT DEPARTMENT

3.3 Implementation of Indira Gandhi National Old Age Pension Scheme

3.3.1 Introduction

Article 41 of the Constitution of India *inter-alia* directs the State to provide public assistance to its citizens in the case of unemployment, old age, sickness and disablement, *etc.* The Government of Gujarat (GoG) had been implementing “Old Age Pension Scheme” with monthly pension of ₹ 200 (amount revised in July 1995). The Ministry of Rural Development, Government of India (GoI) in August 1995 introduced the National Old Age Pension Scheme (NOAPS) under the National Social Assistance Programme (NSAP) with the objective of providing monthly pension of ₹ 75 to below poverty line (BPL)⁴⁷ male or female persons of 65 years or above. GoG merged (September 1995) its existing scheme with NOAPS and decided to continue the monthly pension of ₹ 200 with central share of ₹ 75 and State share of ₹ 125.

GoI renamed (November 2007) the scheme as “Indira Gandhi NOAPS (IGNOAPS)” and enhanced monthly pension to ₹ 200 under the scheme. Subsequently, from time to time, with a view to cover more beneficiaries and enhance the subsistence support, GoI changed the eligibility criteria of destitute persons to be covered, reduced the age limit and increased the rate of monthly pension. Effective from April 2011, GoI decided to increase the rate of monthly pension from ₹ 200 to ₹ 500 for beneficiaries of age 80 years and above. Accordingly, GoG, by including its share, fixed the monthly pension for beneficiaries of age limit from 60-79 years as ₹ 400 and for beneficiaries of 80 years and above as ₹ 700. The monthly pension was further revised by GoG in April 2017 to ₹ 500 for beneficiaries of age limit 60-79 years and ₹ 1000 for beneficiaries of 80 years and above by increasing its share.

The Director, Social Defence under the Social Justice and Empowerment Department (SJED) is the Nodal officer at the State level and is responsible for implementation of IGNOAPS. The Mamlatdar and Revenue Talati of the Revenue Department assists the Director in implementation of the scheme at District/Taluka/village levels.

Audit verified the extent and scope of coverage of the scheme, mechanism adopted for identification of eligible beneficiaries, timeliness in disbursement of pension and system in place for monitoring of the outcomes of the scheme. For this purpose, Audit test-checked (between April 2018 and December 2018) the records of Director, Social Defence and Mamlatdars of eight selected Talukas of four selected Districts (**Appendix-XII**) covering the period 2013-18. Audit also conducted a beneficiary survey⁴⁸ of up to 30 beneficiaries from three Gram Panchayats/Wards of Nagarpalikas of each selected Taluka (total 611 beneficiaries) to assess the level of awareness and outcome of the scheme. Audit made use of Socio-Economic Survey (SES) 2002⁴⁹ detailed data provided by

47 Poorest of the poor, having little or no regular means of subsistence from his/her own sources of income or through financial support from family members or other sources.

48 Alongwith Revenue Talati and Talati-cum-Mantri/Sarpanch of selected GPs/Wards

49 The Survey was conducted by the Ministry of Rural Development for all State/Union Territories. The scores are calculated based on 13 socio economic parameters viz. size, group of operational holding of land, type of house, food security, sanitation facility, ownership of consumer durables, literacy status, means of livelihood, *etc.* (website:<http://ses2002.guj.nic.in>)

the National Informatics Centre through Panchayats, Rural Housing and Rural Development Department of GoG and data of BPL cards issued provided by the Nagarpalikas (NPs) of test-checked Talukas to assess the enrolment of rural and urban beneficiaries respectively under the scheme.

Audit findings

Audit could not conduct a detailed audit at the Director's office and test-checked Mamlatdars for the period 2013-15, as the records maintained and produced to Audit were not in complete form *viz.* registers/records relating to disbursement of pensions prior to September 2016 (pre-Direct Benefit Transfer (DBT) period), treasury bills with details of beneficiaries, cash book, *etc.* Further, during beneficiary survey, no major complaints were received. Hence, Audit could depend only on the data/information⁵⁰ provided by the Director and the test-checked Mamlatdars, and the findings are included in the report accordingly.

3.3.2 Registration/Enrolment procedure

During the period covered in Audit (2013-18), for registration under the scheme, the rural beneficiaries were required to submit the prescribed application to the Mamlatdar alongwith prescribed documents⁵¹. The urban beneficiaries were required to submit the BPL cards (in addition to proof of identity, proof of age and proof of address) issued by the Municipal Corporations (MCs) and NPs under Swarnim Jayanti Shaheri Rojgar Yojana (SJSRY)⁵². The Mamlatdar accepted or rejected the application within 60 days from the date of receipt of application, after scrutinising the eligibility based on the correctness of the application and documents submitted and after verifying the BPL status of the applicant with the data of SES⁵³ 2002. In test-checked Talukas, audit observed that all applications received for registration under the scheme were disposed by the Mamlatdars within the prescribed time period of 60 days.

3.3.2.1 Non-coverage of rural population

The Scheme guidelines (2014) envisage that based on the available BPL list, the beneficiaries should be identified proactively by reaching out to their households. It also envisages that if an eligible person's name does not figure in the BPL list, he/she should not be left out.

Based on the poverty ratio⁵⁴ of 2004-05 and projected population as on 01 March 2016, GoI approved the target of 5.81 lakh persons out of estimated 7.21 lakh population (60 years and above) in the State for enrolment under the scheme. Audit observed that as of March 2018, GoG had enrolled 5.60 lakh persons (96 *per cent*) under the scheme as against the target of 5.81 lakh approved by GoI.

50 Register of application forms, database of SES 2002 for rural population, database of Swarnim Jayanti Shaheri Rojgar Yojana (SJSRY) for urban population, database of NSAP portal, Bank statement of DBT linked Savings Bank Account, treasury challans and information/data provided by the auditees to Audit

51 Proof of Identity (Voter ID or Driving license), proof of age (Birth Certificate/School Leaving Certificate/Election Photo Identity Card (EPIC)/Ration Card/Certificate of age issued by Government Medical Officer) and proof of address (Voter ID/local tax receipts)

52 It is a centrally sponsored scheme for providing gainful employment to unemployed/under-employed urban poor implemented by Urban Housing and Poverty Alleviation Ministry, GoI.

53 Survey carried out in 2002 and updated every year upto 2006-07

54 It indicates the percentage of population below the poverty line. In 2004-05, it stood at 31.60 *per cent* for Gujarat and 37.20 *per cent* at national level. (Data source: Ministry of Social Justice and Empowerment, GoI).

Audit observed that as of March 2018, out of total 2,949 eligible BPL persons in the test-checked 21 GPs, 1,288 eligible BPL persons remained uncovered under the scheme. The Talati-cum-Mantri (TCM)/Sarpanch of the concerned GPs confirmed that these uncovered persons were still living in the village and had not got the benefit of the scheme.

As regards urban population, Audit observed that neither UD&UHD nor the MCs/NPs had maintained any unified BPL database of urban population. Out of the eight Talukas test-checked in Audit, six Talukas had NPs for administering the affairs of urban areas (except Limkheda and Kaprada Talukas). Only three NPs (Dahod, Kalavad and Vapi Talukas) could provide the database of BPL cards issued under Swarnim Jayanti Shaheri Rojgar Yojana (SJSRY). Scrutiny of the database revealed that it contained only the name, age and address of the head of the family and only the name of the other family members. As the database did not contain the age/date of birth of all the family members, the scope for proactive identification of eligible population under the Scheme was not possible.

Deputy Secretary (SJED) accepted (March 2019) that the State could not achieve the projected target (5.81 lakh beneficiaries) approved by GoI. It was further stated that to achieve the target approved by GoI, persons with 17-20 scores were included from November 2017 and GoG has approached (December 2018) the GoI for increasing the target.

3.3.3 Under-utilisation of grant

From September 2016, GoI introduced the Direct Benefit Transfer (DBT) system for disbursement of pension to the beneficiaries by creating an online portal - nsap.nic.in. The Mamlatdars have access to this portal for entering the details of existing beneficiaries alongwith bank/postal account details and for addition/deletion of beneficiaries. The Director, Social Defence disburses pension directly to the bank accounts of these beneficiaries, through the Public Financial Management System (PFMS) of GoI. Prior to September 2016, funds released by the Director for payment of pension were being released to the Regional Post Master by the Mamlatdars for issuance of money orders to the beneficiaries.

During 2013-18, SJED received ₹ 1,416.63 crore as grant under the scheme from GoI (₹ 927.76 crore) and GoG (₹ 488.87 crore). Of this, SJED could utilise ₹ 1,178.80 crore (83 *per cent*) during 2013-18. Audit observed that as of March 2018, ₹ 42.82 crore were lying unutilised in Bank Account operated by the Director, Social Defence. Audit further observed that this amount was kept outside the treasury accounts in contravention of the General Financial Rules (GFR), which envisage surrendering of the same to Government at the end of the financial year.

During the test-check, Audit observed in Limkheda Taluka that double payment of ₹ 25.54 lakh was made in September 2016 to the beneficiaries. This happened because the Mamlatdar made advance payment of pension for the month of September 2016 by crediting the amount to Postal account for issuance of money order while on the other hand, Director, Social Defence also disbursed pension

for the same month through DBT. This remained unnoticed until pointed out during the course of Audit due to non-reconciliation of disbursements from the Bank Account of the Department with the beneficiaries' account.

The Director, Social Defence stated (September 2018) that the grant transferred from the treasury to the Bank Account of the Department was being reconciled. The reply is not tenable, as the amount disbursed from the Bank Account of the Department to the beneficiaries' account is also required to be reconciled to ascertain the correctness of disbursement. Besides, Audit also observed instances of non-disbursement of pension despite availability of sufficient grant and disbursement of pension to incorrect bank accounts which have been discussed in **Paragraph 3.3.4.3.**

As regards unutilised funds, the Director, Social Defence and Deputy Secretary (SJED) stated (September 2018 and March 2019) that the unutilised funds relate to the payments not credited into the beneficiaries' account due to various reasons such as incorrect linkage of Aadhaar, incorrect entry of bank account number, etc. These funds are not credited back into Government account, as they are required to be paid alongwith arrears to the beneficiaries and is also utilised for making pension payment in the initial months of next financial year due to late receipt of grants. It was further stated that henceforth as per Government norms, the savings would be credited back into Government account at the end of the financial year.

3.3.4 Deficiencies in implementation of the scheme

3.3.4.1 Rejection of eligible beneficiaries

As per the scheme guidelines, birth certificate or school leaving certificate or Electoral Photo Identity Card (EPIC) or ration card shall be considered as the primary document for determination of age of the applicant for enrolment under the Scheme. In the absence of any such document, age-certificate issued by any Medical Officer (MO) of any Government hospital would also serve the purpose. The Director, Social Defence had issued (April 2015) instructions to all Mamlatdars to consider either Birth Certificate/School leaving certificate or MO's certificate as proof of age.

Audit randomly scrutinised 200 applications each at three out of eight test-checked Talukas (100 each processed in 2016-17 and 2017-18). Audit scrutiny revealed that the Mamlatdars did not follow a uniform methodology for determining the age of the applicant. Out of 600 applications scrutinized in three test-checked Talukas (Dahod, Jamnagar and Limkheda), Mamlatdars sanctioned 435 applications and rejected the remaining 165 applications for not fulfilling the age criterion. Out of the 435 sanctioned applications, 127 applications were sanctioned based on the Certificate of MO, though the Aadhaar/EPIC showed the age of the applicant as less than 60 years. However, out of 165 applications rejected, 120 applications were rejected on the ground that the age in Aadhaar/EPIC was less than 60 years though the certificate issued by the MO attached with these applications exhibited the age of the applicant as 60 years and above.

Rejection of these 120 applications was in contravention to the provisions of the scheme guidelines and instructions issued by the Director, Social Defence and also reflected an arbitrary and discretionary approach followed by the Mamlatdars for determining the age criteria for enrolment under the scheme.

The Mamlatdars of test-checked Talukas and Deputy Secretary (SJED) accepted the audit observation and stated (June 2018 and March 2019) that the scrutiny process would be streamlined in compliance with the scheme guidelines.

3.3.4.2 Inclusion of ineligible persons

As per the Scheme guidelines, only BPL persons with SES score of 0-16 are eligible for enrolment/registration under the Scheme. On comparing the data of IGNOAPS with the data of SES-2002 in respect of selected wards and GPs of the test-checked Talukas, Audit observed in 16 out of 24 test-checked GPs/Wards that the Mamlatdars had enrolled 151 beneficiaries having SES score higher than 16. It was also observed that GoG included persons with SES score from 17 to 20 in the eligibility of the scheme with effect from November 2017. Data analysis in Audit of pension payment made through pension portal (nsap.nic.in) and SES data revealed that 55 persons (out of 151) had score ranging from 17 to 20 but they were provided benefit under the scheme prior to November 2017 also. Further, 96 persons had scores ranging from 21 to 38 and hence were not eligible for enrolment under the scheme but were provided benefit under the scheme. This resulted in irregular payment of pension of ₹ 24.85 lakh⁵⁵ to 151 ineligible persons under the scheme from the date of sanction of pension to March 2018.

The Deputy Secretary (SJED) stated (March 2019) that the payments made to these ineligible beneficiaries have been stopped and the process of recovery is under progress.

The above audit observation is of a nature that may reflect in other Talukas also, which were not covered in the test-check conducted during audit. The Department/Government may internally examine all such cases to ensure inclusion of eligible beneficiaries under the scheme.

3.3.4.3 Non-disbursement of Pension

• Returned Money orders

Prior to introduction of DBT (September 2016), the Mamlatdars on receipt of grant, drew cheques from the treasury in favour of Regional Post Master and forwarded the same alongwith the list of beneficiaries with required details to the Post offices. The Post offices made payment by issuing money orders favouring the beneficiaries. Audit observed that after introduction of DBT, the mechanism of disbursement of pension has been shortened and disbursement of pension was being done in time.

In the test-checked Talukas, Audit observed that the Mamlatdars received back some funds from the post offices due to undisbursed money orders. These funds were credited back into the treasury through challans except for Mamlatdar, Jamnagar, who credited the undisbursed amount of ₹ 76.15 lakh⁵⁶ into a Savings Bank Account opened (September 2011) without any authorization

⁵⁵ 17-20 scores – 55 beneficiaries (₹ 8.03 lakh) and 21-38 scores – 96 beneficiaries (₹ 16.82 lakh)

⁵⁶ Includes a few amount of Indira Gandhi National Disability Pension Scheme (IGNDPS) also, as exact amount of IGNOAPS was not available.

of the Director, Social Defence or Finance Department. Scrutiny of records of test-checked Talukas revealed that there were 728 beneficiaries who were receiving pension through DBT as on March 2018 but their pension amounting to ₹ 9.93 lakh⁵⁷ were received back by the Mamlatdars from the Post offices prior to introduction of DBT in September 2016. Audit observed that the same has not been paid to these beneficiaries till date (December 2018). However, the Mamlatdars made no attempts for re-disbursement of this pension in the subsequent months. It was also observed that re-disbursement was done only if any beneficiary approached the Mamlatdar and claimed the same. Thus, the Mamlatdars did not adopt a proactive follow-up mechanism to ascertain and re-disburse the same to the beneficiaries in the subsequent months. As a result, 728 beneficiaries have been deprived of their pension amounting to ₹ 9.93 lakh for intervening months due to their absence from their place of stay at the time of delivery of money orders or any other reasons as mentioned by the Post offices.

The Deputy Secretary (SJED) stated (March 2019) that the undisbursed pension is credited back into treasury account only after making three attempts of re-disbursement by issuing the money order again to the beneficiaries and finally approaching of beneficiary for the same. The reply is not correct as in test-checked Talukas, Audit observed that no such attempts were made for re-issuance of money order and this fact was accepted by the concerned Mamlatdars.

The above audit observation is of a nature that may reflect in other Talukas also, which were not covered in the test-check conducted during audit. The Department/Government may internally examine all other cases to ensure payment of undisbursed pension to the beneficiaries.

• *Disbursement of pension in incorrect bank account of ineligible beneficiaries*

Direct Benefit Transfer (DBT) system considers bank accounts linked with Aadhaar details. It does not verify the name of the account holder with the name of the beneficiary registered under NSAP database. Audit observed in the three test-checked Talukas that the pension of 107 beneficiaries (Dahod-7, Jamnagar-98 and Palanpur-2), was being wrongly credited in the bank accounts of other persons (who were not the beneficiaries under the scheme) since the introduction of DBT from September 2016 onwards. Audit analysis revealed that this had occurred due to incorrect linkage of Aadhaar or incorrect entry of bank account number by the Mamlatdars. The affected beneficiaries approached the concerned Mamlatdars repeatedly (during November 2017 to March 2018) regarding the non-receipt of pension. Mamlatdar, Jamnagar took action by reporting these cases to the Director, Social Defence (March 2018) but the Mamlatdars of Dahod and Palanpur did not escalate the matter to the Director, Social Defence. It was also observed that though the beneficiaries reported these cases of credit of pension to incorrect bank accounts since November 2017, no action had been taken by any authority (Mamlatdar or Director, Social Defence) till March 2018 to stop further payments to the incorrect accounts. Further, no action has been taken to rectify the discrepancy or recall the wrong credits from the banks.

57 Jamnagar- 544 (₹ 7.90 lakh), Kalavad- 13 (₹ 0.12 lakh), Dahod- 79 (₹ 0.78 lakh), Limkheda- 42 (₹ 0.49 lakh), Kaprada- 50 (₹ 0.64 lakh)

The Mamlatdars, Jamnagar and Palanpur have rectified the errors in respect of 86 and two cases respectively in April 2018; however, the arrears for the previous period are yet to be paid (March 2019). This resulted in irregular disbursement of ₹ 10.18 lakh⁵⁸ pension to ineligible beneficiaries and deprived the eligible beneficiaries from receipt of pension from September 2016 onwards till March 2018/November 2018.

Mamlatdar, Dahod stated (June 2018) that necessary action to rectify the discrepancy would be taken. Mamlatdar, Jamnagar and Palanpur attributed the reason for not making payment of arrears to absence of provision for the same in the scheme guidelines. The Deputy Secretary (SJED) stated (March 2019) that such discrepancies brought out by the beneficiaries are being rectified by the concerned Mamlatdars.

The above audit observation is of a nature that may reflect in other Talukas also, which were not covered in the test-check conducted during audit. The Department/Government may internally examine all other cases to ensure payment of pension in correct accounts only.

3.3.5 Monitoring

3.3.5.1 Annual verification of beneficiaries and conduct of Social Audit

Scheme guidelines stipulate conduct of annual personal verification of existing beneficiaries by setting up Special Verification Teams⁵⁹. It also enumerates conduct of Social Audit every six months by setting up committees for efficiency in implementation of scheme, transparency and grievance redressal.

Audit observed that none of the test-checked Mamlatdars or State level authorities had conducted personal verification of existing beneficiaries or Social Audit during the review period of 2013-18. While selecting beneficiaries for conduct of Survey, audit observed that in 24 test-checked GPs/Wards, 32 beneficiaries belonging to five test-checked GPs had expired; however, their pension continued to be disbursed to their bank account. This could have been avoided, had the department conducted personal verification. Further, had Social Audit been conducted, matters of non-covering of eligible beneficiaries, non-receipt of pension, *etc.* as discussed in the preceeding paragraphs could have been resolved.

The Mamlatdars of the test-checked Talukas confirmed non-conduct of annual personal verification and stated (May 2018 and June 2018) that the same would be done in due course. The Deputy Secretary (SJED) stated (March 2019) that instructions have been issued (December 2018) to all District Collectors for verification of all beneficiaries. As regards Social Audit, the Director, Social Defence stated (September 2018) that the matter would be ascertained from the District Collector. Audit is of the view that the State Government may ensure annual verification as per scheme guidelines.

58 Calculated up to March 2018 for 88 beneficiaries and up to November 2018 for 19 beneficiaries

59 Committee shall consist representatives of reputed Non-Government Organisations which are active in the locality under an authorized officer.

3.3.6 Conclusion

Audit concludes that GoG had not covered all the BPL beneficiaries both rural and urban BPL populations under the scheme. As against the estimated BPL beneficiaries of 5.81 lakh approved as a ceiling by GoI based on poverty ratio of 2004-05, GoG could cover 5.60 lakh BPL beneficiaries under the scheme as of March 2018.

In the test-checked Talukas, Audit observed that the Mamlatdars have provided pension to ineligible persons with BPL scoring higher than fixed scoring criterion and eligible beneficiaries had been rejected in an arbitrary fashion in contravention to the provisions of the scheme guidelines and instructions issued by the Director, Social Defence.

Instances of non-disbursement of pension in cases of return of money orders were noticed in test-checked Talukas. In Dahod, Jamnagar and Palanpur Talukas, Audit observed that pension of 107 beneficiaries (₹ 10.18 lakh) was being credited wrongly to the bank accounts of others due to incorrect linkage of Aadhaar and incorrect entry of bank account number by the Mamlatdars. The test-checked Mamlatdars had not conducted annual personal verification of existing beneficiaries.

TRIBAL DEVELOPMENT DEPARTMENT

3.4 Functioning of Residential Schools under Gujarat State Tribal Education Society

3.4.1 Introduction

The Government of India (GoI), Ministry of Tribal Affairs (MoTA) launched (1997-98) 'Eklavya Model Residential Schools (EMRSs)' scheme with the objective of providing free quality residential education up to higher secondary level (Standard VI to XII) to the students of tribal community, in remote areas of the States. The scheme *inter alia* envisaged establishment of an Autonomous Society in every State to manage the EMRSs. Accordingly, Gujarat State Tribal Education Society⁶⁰ (Society) was set up (January 2000) as an Autonomous Society under Tribal Development Department (TDD), Government of Gujarat (GoG) under the Societies Registration Act, 1860 and also registered as a Trust under Bombay Public Trusts Act, 1950.

The MoTA under the scheme of 'Strengthening education among Scheduled Tribe (ST) girls in low literacy Districts' set up (April 2008) the Girls Literacy Residential Schools⁶¹ (GLRSs), which aimed to bridge the gap in literacy level between the general female population and tribal women through facilitating 100 *per cent* enrolment of tribal girls in identified Districts or Blocks.

The Society is responsible for management and control of 79 residential schools (27 EMRSs under GoI, nine EMRSs under GoG and 43 GLRSs) spread over 43 Tribal Talukas under 16 Districts of the State during 2017-18 as shown in **Appendix-XIII**. These schools are affiliated with the Gujarat Secondary and Higher Secondary Education Board (GSHSEB).

The Secretary of TDD is the *ex-officio* Chairman of the Society. The Executive Director of the Society responsible for the overall management of the Society is assisted by one Assistant Commissioner, one Accounts Officer and Project Managers. At District level, the Project Administrator (PA) of the Integrated Tribal Development Project (ITDP) designated as *ex-officio* Joint Executive Director of the Society is responsible to look after the affairs of the schools situated in the ITDP area and is also designated as *ex-officio* Chairman of the Local Management Committee (LMC) of the schools. The PA is assisted by one District Project Co-ordinator appointed by the Society on contractual basis.

The Audit of functioning of residential schools under the Society was conducted to assess whether the funds given to the Society by GoI/GoG were being spent economically, efficiently and effectively and adequate physical and human infrastructure was available for imparting quality education, and also to ensure that an effective system of inspection and monitoring was in place.

Audit examined the records covering the period 2015-16 to 2017-18 of the Society, TDD, Commissioner of Tribal Development (CoTD), six PAs out of 14

60 Formerly known as Gujarat State Tribal Development Residential Educational Institutions Society (GSTDREIS) or EMRS Society

61 Formerly known as Low Literacy Girls Residential Schools (LLGRSs) or Eklavya Girls Residential Schools (EGRSs)

PAs and 12 selected schools (five EMRSs⁶² under GoI out of 27, one EMRS⁶³ under GoG out of nine and six GLRSs⁶⁴ out of 43).

An exit conference was held on 27th May 2019 with the Joint Secretary of TDD to discuss the Audit findings. The views and replies of the Department have been considered and incorporated in the report.

3.4.2 Funding pattern and funds flow

The land required for setting up an EMRS is given free of cost by the State Government while GoI finances the capital cost (non-recurring) of school complex including hostel and residential quarters up to ₹ 12 crore. GoI also finances the recurring cost @ ₹ 42,000 *per child per annum* and ₹ 10 lakh *per school* for every five years for purchase of non-recurring items such as furniture, equipment, *etc.*

As per the scheme provision, the GLRSs shall run in rented buildings. GoI finances the recurring cost @ ₹ 27,100 *per girl student per annum* and ₹ 3.75 lakh *per 100 students once in five years*. In 2014-15, GoI decided to finance capital costs for construction of building for GLRSs @ ₹ 6.00 crore *per school*. GoG decided (April 2015) to contribute towards recurring cost @ ₹ 10,000 *per student per annum* from 2015-16 for EMRSs and GLRSs, over and above the contribution of GoI, to meet the cost inflation. GoG also bears the excess capital cost on construction of building for both EMRSs and GLRSs. The funding pattern for recurring cost between GoI and GoG for the schools managed by the Society is given in **Appendix-XIII**.

Audit findings

3.4.3 Planning

3.4.3.1 Uneven distribution of EMRSs

The Society appraises the TDD, the need for setting up of EMRSs/GLRSs in the State, who, in turn, submits the proposals for approval to MoTA. During 2015-18, GoG obtained approval for setting up of five new EMRSs and as of March 2018, 36 EMRSs (27 of GoI) and 43 GLRSs were functioning under the Society.

In Gujarat, 43 tribal Talukas have been identified under 14 ITDP areas. EMRS guidelines (June 2010) provide for establishment of at least one EMRS in each Tribal Taluka. As the EMRSs were primarily meant for the Scheduled Tribe (ST) children, it was expected of the State Government to fix some criteria for deciding the inter-se priority for establishing EMRSs in these Tribal Talukas. Audit observed that GoG had not fixed/prescribed any criteria for the same. As a result, 18 out of 43 Tribal Talukas had no EMRSs while three Talukas had more than one EMRS *viz.* Bhiloda Taluka with three EMRSs⁶⁵, Waghodiya and Bardoli Talukas with two EMRSs⁶⁶ each. Further, Talukas having greater concentration of the ST

62 Ambaji, Jagana, Kadana, Kaprada and Ukai

63 Waghodiya-I

64 Jethy, Khadakwada, Mogra, Poshina, Sarotra and Sutharpada

65 Kherancha, Shamalaji-I and Shamalaji-II

66 **Waghodiya Taluka:** Waghodiya-I and Waghodiya-II, **Bardoli Taluka:** Mota and Bilvan

population viz. Uchchal (97 per cent), Umarpada (96 per cent), Dediapada (95 per cent), Garbada (94 per cent), Fatehpura (92 per cent), Zalod (88 per cent), etc. had no EMRSs, in contrast to Palanpur (four per cent) and Waghodiya (30 per cent) Talukas with lower ST population which had such schools.

Audit further observed that though the number of applications received for admission to EMRS was high, the Society could admit only six per cent students during 2015-18 due to lesser number of EMRS in the State *vis-a-vis* desired applicant. Details of applications received were on an average 15 times more than the total intake capacity of EMRSs in the State as shown in **Table 1** below -

Table 1: Details of number of applications received for EMRS Entrance Test (EMRSET) during 2015-18

Period	Number of applications received	Number of students who appeared in EMRSET	Total annual intake capacity of EMRSs	Number of students admitted
2015-16	26,072	23,296	1,820	1,731
2016-17	28,917	26,111	1,880	1,594
2017-18	37,347	34,280	2,180	2,035
Total	92,336	83,687	5,880	5,360

(Source: Information provided by the Society)

The above table shows that the Society needs to enhance its coverage in the State.

The Joint Secretary in the exit conference (27 May 2019) stated that the availability of land, ST population and number of applications received for EMRS entrance test were considered while making proposal for setting up of EMRSs. It was further stated that GoI had decided (December 2018) to cover by the year 2022, all remaining Tribal Talukas having 50 per cent tribal population and atleast 20,000 tribal population.

3.4.4 Financial Management

The Society receives grants from GoI and GoG for construction, operation and maintenance of EMRSs/GLRSs. The details of grants received and expenditure incurred by the Society between the period 2015-16 and 2017-18 are shown in **Appendix-XIV**.

3.4.4.1 Loss of central assistance in respect of GLRSs

The Society submits the component-wise budget estimates of expenditure (recurring and non-recurring) for the forthcoming financial year in respect of GLRSs to GoI through the GoG. GoI approves and releases the same to GoG in installments. Any excess or savings in a particular year is adjusted in the subsequent year after assessment of the annual accounts.

In 2016-17, GoI approved ₹ 34.76 crore⁶⁷ and released ₹ 26 crore⁶⁸ (75 per cent). The Society had incurred recurring expenditure of ₹ 33.89 crore against the approved cost of ₹ 30.64 crore during 2016-17. Audit observed that the recurring expenditure under some components were either below or above the admissible cost. It was also observed that in respect of ₹ 0.40 crore sanctioned for giving watches and bicycles to students, no expenditure had been incurred by the Society. As a result, GoI admitted the claim of ₹ 30.64 crore

⁶⁷ ₹ 4.12 crore as non-recurring expenditure and ₹ 30.64 crore as recurring expenditure

⁶⁸ ₹ 3.02 crore as non-recurring grant and ₹ 22.98 crore as recurring grant

recurring cost by adjusting the expenditure which exceeded the limit fixed for each component and the proportion of savings. In addition, the GoI had not admitted the non-recurring cost of ₹ 4.12 crore as the Society failed to take up the capital works which comprised ₹ 2.75 crore for furniture/equipment, ₹ 0.82 crore for bedding and ₹ 0.55 crore for recreation. Consequently, against the approved cost of ₹ 34.76 crore, GoI approved only ₹ 20.64 crore and adjusted ₹ 5.36 crore (₹ 26 crore less ₹ 20.64 crore) excess released in 2016-17 from the grants released in 2017-18 resulting in loss of central assistance.

On scrutiny of the accounts of the Society, Audit observed that the Society failed to receive the admissible recurring cost of ₹ 27,100 *per student per annum* between 2015-16 and 2017-18 as shown in **Table 2** –

Table 2: Details of recurring expenditure of the Society between 2015-16 and 2017-18

Year	As per Budget estimates			As per final approval			Recurring grant per student per annum	Shortfall in utilisation of recurring grant per student per annum
	Number of estimated students	Amount claimed (₹ in crore)	Amount approved by GoI (₹ in crore)	Number of actual students	Amount claimed (₹ in crore)	Amount approved by GoI (₹ in crore)		
1	2	3	4	5	6	7	8 (Col.7/ Col.5)	9 (₹ 27100 – Col.8)
2015-16	7,509	30.25	18.93	10,965	28.57	18.60	16,964	10,136
2016-17	11,981	33.52	30.64	11,981	33.89	20.63	17,227	9,873
2017-18 ⁶⁹	12,182	33.42	29.92	12,182	33.42	28.75	23,993	3,107

(Source: Budget estimates of the Society and GoI approvals)

Audit observed that the Society has been managing the shortfall in recurring grant due from GoI from the additional grant of ₹ 10,000 provided by GoG. This indicated that the Society and the schools failed to utilise the recurring grant as per the component-wise ceiling prescribed in the guidelines and the sanctioned budget estimates.

The Joint Secretary in the exit conference (27 May 2019) accepted the audit observation.

3.4.4.2 Excess release of recurring grants

As per revised guidelines (2010) for setting up EMRSs, the State Government may opt for any feasible/suitable mode of management by autonomous education societies; Public-Private Partnership (PPP) with reputed educational institutions; in arrangement with the State Department of Education or any other mode found suitable. Accordingly, the Society on behalf of GoG entered (November 2008 and November 2010) into a Memorandum of Understanding (MoU) with Sukhi Parivar Foundation (SPF), New Delhi and Muni Sewa Ashram Trust (MSAT), Waghodiya, Vadodara for managing EMRS (Kawant) and EMRS (Waghodiya-I⁷⁰) respectively. The MoUs were renewed in October 2017.

As per MoU entered into with MSAT, the Society would release 50 *per cent* of the annual recurring expenses as recurring grant⁷¹ subject to maximum of ₹ 60.00 lakh. Remaining 50 *per cent* of the recurring expenses shall be borne by MSAT by collecting fees from non-tribal/day scholars, donations, *etc.* The cost of

⁶⁹ Final approval is awaited, hence, figures of budget estimates have been considered by Audit

⁷⁰ Both the EMRSs are GoG initiative under Vanbandhu Kalyan Yojana

⁷¹ Calculated at ₹ 36,000 per student per annum

providing infrastructure, equipment and other fixed assets would be borne between the Society and MSAT in the ratio of 75:25 subject to maximum of ₹ 7.00 crore.

Scrutiny of records revealed that the Society had released excess grants to MSAT between 2015-16 and 2017-18 without considering the financial ceiling agreed in the MoU as shown in **Table 3** –

Table 3: Details of excess recurring grants released to MSAT during 2015-18

(₹ in lakh)

Year	Number of students	Annual recurring expenses	Recurring expense sharable by		Recurring expenses shared/borne by		Excess grants released by the Society ⁷²
			Society	MSAT	Society	MSAT	
2015-16	193	85.60	42.80	42.80	69.81	22.59	9.81
2016-17	215	97.20	48.60	48.60	67.45	25.89	7.45
2017-18	234	113.16	56.58	56.58	76.55	37.80	16.55
Total	642	295.96	147.98	147.98	213.81	86.28	33.81

(Source: Information provided by the School/Society)

The above table shows that the Society had released more than 50 *per cent* of recurring expenses, rendering financial benefit of ₹ 33.81 lakh to MSAT besides, defeating the purpose of entering into PPP mode.

In case of EMRS, Kawant, the terms and conditions of MoU entered into between the Society and SPF were similar as those of MoU entered into with MSAT. Audit observed that the Society had rendered excess financial benefit of ₹ 1.73 crore to SPF by releasing more than 50 *per cent* of annual recurring expenses.

The Joint Secretary in the exit conference (27 May 2019) accepted the audit observation and stated that the relevant clause of the MoUs would be amended shortly.

3.4.5 Academics

3.4.5.1 Admissions in EMRSs

The students are admitted in Standard VI on the basis of an Entrance Test called Eklavya Model Residential School Entrance Test (EMRSET) conducted by the Society.

Details of number of students admitted in Standard VI based on EMRSET in the EMRSs in the State during 2015-18 are shown in **Table 4** –

Table 4: Details of number of students admitted in Standard VI

(figures in numbers)

Year	Intake capacity of EMRSs in the State			Students admitted in Std. VI		
	Boys	Girls	Total	Boys	Girls	Total (percentage)
2015-16	950	870	1,820	929	802	1,731 (95)
2016-17	980	900	1,880	831	763	1,594 (85)
2017-18	1,130	1,050	2,180	1,069	966	2,035 (93)
Total	3,060	2,820	5,880	2,829	2,531	5,360 (91)

(Source: Information provided by the Society)

The above table shows that against the intake capacity of 5,880 students for Standard VI during 2015-18, the Society could admit 5,360 students (91 *per cent*).

72 Recurring expenses borne by the Society minus ₹ 60 lakh

The Joint Secretary in the exit conference (27 May 2019) attributed the reasons for vacancy against in-take capacity due to students cancelling their admission.

3.4.5.2 Admissions in GLRSs

As per the instructions issued (May 2016) by the Society, each GLRS shall have intake capacity of 60 ST girls students in each class. Year-wise details of students admitted against the intake capacity in test-checked GLRSs during the period 2015-18 are shown in **Table 5** –

Table 5: Details of students admitted in test-checked GLRSs during 2015-18

Test-checked GLRSs	2015-16		2016-17		2017-18	
	Intake capacity	Number of students (percentage)	Intake capacity	Number of students (percentage)	Intake capacity	Number of students (percentage)
Jethy	300	285 (95)	300	283 (94)	300	280 (93)
Khadakwada	300	275 (92)	300	295 (98)	360	336 (93)
Mogra	300	290 (97)	360	344 (96)	480	441 (92)
Poshina	240	174 (73)	300	236 (79)	300	240 (80)
Sarotra	300	281 (94)	300	283 (94)	360	343 (95)
Sutharpada	300	300 (100)	300	299 (100)	360	333 (93)
Total	1740	1605 (92)	1860	1740 (94)	2160	1973 (91)

(Source: Information provided by the test-checked GLRSs)

The above table shows that as against the intake capacity in test-checked GLRSs, the Society could admit 91 to 94 *per cent* students during 2015-18.

3.4.5.3 Achievement in Board examinations

Audit observed that the results of Std. X and XII in the 12 test-checked schools were better as compared to State average pass percentage as shown in **Table 6** –

Table 6: Results of Std. X and XII in 12 test-checked schools

Period	Std. X			Std. XII			State average pass percentage	
	Appeared	Passed	Pass percentage	Appeared	Passed	Pass percentage	Std. X	Std. XII ⁷³
2015-16	370	330	89	103	101	98	67	60
2016-17	484	414	86	225	173	77	68	61
2017-18	686	583	85	221	163	74	67	59
Total	1540	1327	86	549	437	80	67	61

(Source: Information provided by the Society)

3.4.5.4 Non-commencement of higher secondary streams

EMRSs are established with the objective of providing free quality residential education up to higher secondary level (Standard VI to XII) to the students of tribal community, in remote areas of the States on the pattern of Jawahar Navodaya Vidyalayas. As per revised guidelines (June 2010) of EMRS, each EMRS would have Standard VI to X and higher secondary (Standard XI and XII) with three streams. Further, GoG decided to introduce Standard XI in all the 43 GLRSs of the State from academic session 2017-18. The status of higher secondary education in EMRSs and GLRSs in the academic session 2017-18 are shown in **Table 7** –

73 Average of Science and General (including Commerce and Arts) stream

Table 7: Status of higher secondary education in EMRSs and GLRSs in the State

Type of schools	Number of schools	Number of schools imparting education							
		Started recently (Out of Col.2)	Upto Standard X only	For all the three streams (Science, Arts and Commerce)	Science and Arts only	Science and Commerce only	Science only	Arts only	Commerce only
1	2	3	4	5	6	7	8	9	10
EMRS (GoI)	27	5	3	4	3	3	9	0	0
EMRS (GoG)	9	1	5	0	0	0	3	0	0
GLRS	43	0	19	0	0	0	8	12	4
Total	79	6	27	4	3	3	20	12	4

(Source: Information provided by the Society)

Audit observed that

- Out of 27 GoI funded EMRSs, five⁷⁴ were started between 2015-16 and 2017-18, while the remaining 22 EMRSs were started prior to 2012-13. Thus, all these 22 EMRSs should have classes up to Standard XII in 2017-18. However, three EMRSs⁷⁵ had classes only up to Standard X during 2017-18. Of the remaining 19 EMRSs, higher secondary with all the three streams as envisaged in the guidelines was available in only four EMRSs (Ambaji, Jagana, Khodada and Tilakwada) while others had either two streams or one stream *i.e.* three EMRSs had science and arts stream, three EMRSs had science and commerce streams and nine EMRSs had only science stream.
- Out of nine EMRSs funded by GoG, except for EMRS, Bilvan established in 2017-18, five EMRSs⁷⁶ had classes only upto Standard X while the remaining three EMRSs⁷⁷ imparted higher secondary education for science stream only.
- The Society could start Standard XI in only 24 GLRSs during 2017-18, as additional classrooms were not available in other GLRSs. Of these 24 GLRSs, 12 GLRSs offered education in only arts stream, eight GLRSs offered education in only science stream and four GLRSs offered education in only commerce stream.

The Joint Secretary in the exit conference (27 May 2019) attributed the reason for not starting higher secondary classes offering all the three streams to non-availability of sufficient infrastructure in the school building. It was further stated that in EMRS Kadana, Standard XI (science stream) has since been started from the academic session 2018-19.

3.4.5.5 Recruitment of teaching and non-teaching staff

(i) Teaching staff

EMRS guidelines (1997-98) envisage that the Principal and teaching staff of an EMRS would have higher pay scales than those of the teachers in the Government schools so that best talents would be attracted to these schools. EMRS guidelines (June 2010) also envisaged that the State Government shall ensure and maintain the highest quality in the selection of teachers and staff for academic and extra-curricular excellence.

⁷⁴ EMRS, Poshina (2015-16), EMRS, Vagalkhod (2016-17), and EMRSs, Mandvi, Sagbara and Naswadi (2017-18)

⁷⁵ EMRS, Indu (2011-12), EMRS, Kadana (2011-12) and EMRS, Pardi (2001-02)

⁷⁶ Ashram Schools run on EMRS pattern

⁷⁷ Kawant, Kherancha and Waghodiya-I

Audit observed that though EMRSs and GLRSs were in operation since 1997-98 and 2008-09 respectively, the Society had not fixed any guidelines for appointment of Principals and teaching staff on permanent basis. Only in December 2016, after a lapse of 17 years⁷⁸, GoG sanctioned 76 posts of Principals and 685 posts of teaching staff for schools managed by the Society. Prior to December 2016, the Society appointed Principals and teaching staff on contract basis with monthly remuneration of ₹ 16,500 and ₹ 7,500 for three to five years. The remuneration paid to teachers was much below the minimum wages for skilled labourers⁷⁹ notified (December 2014) by the Labour and Employment Department of GoG. The details of teachers recruited by the Society and attrition rate of teachers are shown in **Table 8** –

Table 8: Details of teachers recruited by the Society and attrition rate of teachers

Year of recruitment	Number of vacancies advertised	Number of teachers recruited	Number of teachers still in service as of February 2019 (in percentage)	Number of teachers, who left the job	Rate of attrition (in percentage)
2010-11	149	126	45(36)	81	64
2012-13	316	312	32(10)	280	90
2013-14	341	301	177(59)	124	41
2015-16	255	108	26(24)	82	76
Total	1061	847	280(33)	567	67

(Source: Information provided by the Society)

The above table shows that out of 847 teachers appointed by the Society on contract basis, 567 teachers (67 per cent) left the job mainly due to payment of low remuneration, lack of permanency and for better opportunities.

Audit further observed that even the pay-scales fixed for the posts of Principals and teaching staff sanctioned in December 2016 was lower than those being paid to the staff of Jawahar Navodaya Vidyalayas (JNV) as shown in **Table 9** –

Table 9: Comparison of pay-scales fixed by GoG with JNV

Sr. No.	Section	Standard	Designation	Number	Pay-scale	Corresponding pay-scale in JNV
1.	Upper Primary	6 to 8	Teachers (Vidya Sahayaks)	377	₹ 10,000 (fixed) for first five years, thereafter ₹ 5200-20200, GP- ₹ 2400	₹ 9300-34800, GP - ₹ 4200
2.	Secondary	9 to 10	Principal	61	₹ 9300-34800, GP- ₹ 4400	₹ 9300-34800, GP- ₹ 5400
			Teachers (Shiskan Sahayaks)	219	₹ 15000 (fixed) for first five years, thereafter ₹ 9300-34800, GP- ₹ 4200	₹ 9300-34800, GP- ₹ 4600
3.	Higher Secondary	11 to 12	Principal	15	₹ 9300-34800, GP- ₹ 4600	₹ 9300-34800, GP- ₹ 7600
			Teachers (Shiskan Sahayaks)	89	₹ 15500 (fixed) for first five years, thereafter ₹ 9300-34800, GP- ₹ 4400	₹ 9300-34800, GP- ₹ 4800

(Source: Information provided by the Society and obtained from website of JN)

The above table shows that the teaching staff are given fixed pay for five years and the Grade Pay assigned for the Principal and teaching posts are lower than those for Jawahar Navodaya Vidyalayas though their educational qualifications were same.

⁷⁸ The Society was set up in January 2000.

⁷⁹ Minimum Wages for skilled (non-teaching) staff in private non-GIA educational institute between October 2017 and March 2018 for 30 days was ₹ 9,678 (₹ 293 (one day basic salary) + ₹ 29.60 (dearness allowance) x 30 days)

The Joint Secretary in the exit conference (27 May 2019) accepted that the high rate of attrition was mainly due to lack of permanency coupled with low remuneration. It was further stated that the Society had recently enhanced the fixed pay of contractual teachers/principals by ₹ 5,000. Audit is of the view that GoG may consider taking measures necessary to attract the best talent and aptitude as teachers.

(ii) Non-teaching staff

The clerk-cum-accountants and peons are appointed by Local Management Committee (LMC), while services of other supporting staff such as security, sweeper, cook and helpers are outsourced. Audit observed that the monthly remuneration paid by the Society to clerk-cum-accountants and peons was ₹ 6,000 and ₹ 3,500 respectively, which was below the minimum wages fixed by GoG for non-teaching staff⁸⁰ (skilled, semi-skilled and unskilled) of private educational institutions.

The Joint Secretary in the exit conference (27 May 2019) accepted the audit observation and stated that a proposal would be placed for approval before the Governing Board of the Society to enhance the remuneration of non-teaching staff in conformity with the Minimum Wages Act, 1948.

3.4.6 Infrastructure facilities in EMRSs and GLRSs

On approval of a school by MoTA, the Society starts the functioning of the approved school from the next academic year in the building of other schools or by creation of temporary facilities. The GoI on approval of an EMRS, releases 50 per cent of capital cost for infrastructure to the Society whereas GLRSs are to be accommodated in rented building.

Audit observed that as of September 2018, six out of 27 GoI funded EMRSs, ten out of 43 GLRSs and two out of nine GoG-funded EMRSs have neither pucca building nor pre-fab building. They are functioning from other Society managed schools (13), in other Government buildings (3) and in rented premises (2), as shown in **Table 10** –

Table 10: Status of buildings of EMRSs/GLRSs

Type of schools	Number of schools	Number of schools functioning in				
		Own pucca building	Pre-fab building	Building of other schools	Other Government buildings	Rented accommodation
EMRS (GoI)	27	20	1	4	2	0
EMRS (GoG)	9	7	0	2	0	0
GLRS	43	18	15	7	1	2
Total	79	45	16	13	3	2

(Source: Information furnished by the Society)

3.4.6.1 Delay in construction of schools

For construction of school building and infrastructure, GoI accorded (2010-11) approval for two EMRSs and released ₹ 24 crore. GoI accorded approval

⁸⁰ Minimum Wages for 30 days between October 2017 and March 2018 – skilled (₹ 9,678) and semi-skilled (₹ 9,408) and unskilled (₹ 9,168)

for construction of school buildings for five EMRSs and eight GLRSs between 2015-16 and 2017-18. As of March 2018, GoI released grant of ₹ 46 crore for these five EMRSs and ₹ 40 crore for eight GLRSs to the Society. However, Audit observed that none of the above works had been started by the Society. Scrutiny of records revealed that the required land was not acquired in six cases, estimates for the works was under preparation in seven cases and tendering for the work was under process in two cases. Consequently, an amount of ₹ 110 crore⁸¹ received from GoI remained unutilized with the Society and also deprived the students from quality infrastructure as envisaged in the scheme guidelines. Further, running of schools for a longer duration beyond three years without good infrastructure (*i.e.* by conducting classes in other schools) would result in overcrowding/excessive sharing of infrastructure.

The Joint Secretary in the exit conference (27 May 2019) attributed the reasons for delay in construction mainly due to administrative delay in obtaining land allotment, removal of encroachment in allotted lands, change in land location, making additional budgetary provision and other local issues. It was further stated that majority of the works are entrusted to Roads and Buildings Department, which are delayed as they were overburdened with other priority works.

3.4.6.2 Non-availability of classroom, laboratory and hostel facility

The educational complex at Amirgadh, Banaskantha consisted of school buildings, staff quarters and hostels for GLRS, Sarotra and Model School, Amirgadh. The Society on approval of GLRSs, Jethy and Virampur, decided to accommodate these schools in the above educational complex. GLRS, Jethy was functioning in the school building of GLRS, Sarotra and GLRS, Virampur was functioning in the hostel building of GLRS, Sarotra. As the resources meant for two schools were being used by four schools, the classrooms, laboratories and hostels were found overcrowded. Against the capacity of 700 students in the hostel building, around 1,500 students were found accommodated in the hostel during 2017-18 leading to overcrowding in rooms and lack of sufficient toilets and urinals.

Audit further observed that EMRS, Jagana (Banaskantha) was functioning in a pre-fabricated campus consisting of classrooms, staff quarters, hostels and mess, constructed at a cost of ₹ 4.44 crore at Jagana by the Society, which was vacated in June 2016 on construction of new building for EMRS, Jagana. Though, this pre-fabricated campus was lying unutilised, the Society failed to utilise it for accommodating GLRS, Jethy and GLRS, Virampur, and instead continued to run these schools with GLRS, Sarotra though it was overcrowded. This clearly indicated poor management by the Society, apart from idling of structure worth ₹ 4.44 crore.

The Joint Secretary in the exit conference (27 May 2019) stated that GLRS, Jethy and GLRS, Virampur were started in the premises of GLRS, Sarotra with an aim for promoting girls education and to reduce dropout ratio without waiting for construction of school building. Shifting of any school is not easy as it required prior permission of the parents/guardians and the pre-fab campus at Jagana required additional repairs worth ₹ 25 lakh to make it liveable. The Joint Secretary further assured that both the GLRSs would be shifted either to pre-fab campus of EMRS, Jagana or in rented buildings.

81 ₹ 24 crore received during 2010-11 and ₹ 86 crore received between 2015-16 and 2017-18

3.4.6.3 Non-availability of beds, linen and mattresses

As per the scheme guidelines, the EMRSs and GLRSs are required to provide facility of bed, mattress and linen to each student on their joining. However, in test-checked schools, Audit observed that –

- Against 479 students in EMRS, Jagana during 2017-18, only 294 sets of bed, mattress and linen was available with the school. Thus, 185 students were not provided with the facility. These students were being accommodated on the bed by combining all the beds together.
- In EMRS, Kadana, against 338 students during 2017-18, the school had 338 mattresses and linens but had only 155 beds. Thus, 183 students were not provided with the facility of bed and were accommodated on the floor.
- Shortages of beds were noticed in all six test-checked GLRSs. The overall shortage of beds in these schools was 27 *per cent* with highest shortage above 60 *per cent* in GLRSs, Poshina and Khadakwada (**Appendix-XV**).

The procurement of above items by the schools, the need and sufficiency of the comfort of the students were neither monitored by the Society nor by the LMC.

The Joint Secretary in the exit conference (27 May 2019) stated that special budget provision has been made under New Gujarat Pattern in the year 2018-19 for procurement of beds and the process of purchasing beds as against the demand of 11,514 beds is under progress.

3.4.6.4 Non-availability of water

The Gojariya educational complex at Kawant Taluka in Chhotaudepur District consists of two school buildings, four hostel buildings and four buildings as staff quarter each having capacity for 18 families. Of the two school buildings, one school building is used for three GLRSs (Mogra, Chodavani and Saidivasan) and the other is used for Model School, Kawant and Adarsh Nivasi Shala (ANS), Kadipani. The four hostel buildings are used for accommodating the students of GLRSs and ANS. The entire complex caters to almost 2,000 students, out of which almost 1,300 reside on the campus.

Audit observed that the complex had no facility of direct water connection except for six bore wells in the campus. As sufficient water was not available from the bore wells, arrangement of water was being done through water tankers. Consequently, major part of the recurring grant⁸² of GLRS, Mogra was spent for purchasing water. During joint visit of the school, Audit observed



82 2015-16 - ₹ 1,62,400, 2016-17 - ₹ 3,44,000 and 2017-18 - ₹ 1,53,500

that most of the toilets and urinals did not have the facility of running water and students were found collecting water from the tankers for storing them in the buckets for their use **(Picture)**.

The Joint Secretary in the exit conference (27 May 2019) accepted the Audit observation and stated that PA Chhotaudepur has sanctioned and released an amount of ₹ 17.17 lakh under New Gujarat Pattern to the Public Health Works Department for laying water pipelines in the campus.

3.4.7 Monitoring and evaluation

3.4.7.1 Non-constitution of School Management Committee

Section 21 and Section 22 of the Right of Children to Free and Compulsory Education Act, 2009 provides for constitution of School Management Committee⁸³ (SMC) and preparation of School Development Plan (SDP) respectively by every school other than an unaided school. Accordingly, the Society instructed (March 2011 and January 2014) all the schools to constitute SMC. However, Audit observed that none of the 12 test-checked schools had constituted SMC and had not prepared the SDP. In absence of SMC, the involvement of the parents in management of the school affairs was not ensured.

The Joint Secretary in the exit conference (27 May 2019) accepted the Audit observation and stated that the Society would initiate setting-up of SMCs in all schools.

3.4.7.2 Evaluation

The objective of EMRS is to provide quality middle and high level education to ST students in remote areas, not only to enable them to avail of reservation in high and professional educational courses and as jobs in Government, public and private sectors but also to have access to the best opportunities in education at par with non-ST students. However, except for submission of quarterly demand for grants along with expenditure statement of previous quarter by the schools, no other returns (e.g. monthly/quarterly progress reports) have been prescribed by the Society. As a result, the Society had no information regarding curricular and extra-curricular progress of the students, compiled data of EMRS students, who got admission in higher educational institutions and details of drop-outs in the Talukas. In the absence of these vital data, the Society was not in a position to evaluate the efficacy of the EMRSs and GLRSs functioning under it.

The Joint Secretary in the exit conference (27 May 2019) stated that the Society would be initiating a process to capture the data of EMRS pass-outs and tribal female literacy rate in the Talukas in which GLRSs are situated and a periodic return would be prescribed for all the schools to ensure monitoring of curricular and extra-curricular progress of students on regular basis.

⁸³ SMC shall consist of the elected representatives of the local authority, parents or guardians of children admitted in such schools and teachers. Three-fourth of the members of SMC shall be parents or guardians. Proportionate representation shall be given to parents or guardians of children belonging to disadvantaged group and weaker section. Fifty *per cent* of the members of SMC shall be women.

3.4.8 Conclusion

Audit observed that horizontal spread of residential schooling for STs was not uniform and self-evident in the absence of transparent criteria for setting up of EMRSs as 18 out of 43 tribal Talukas had no EMRSs while three Talukas had more than one EMRS. The Society and the GLRSs failed to utilise the recurring grant as per the budget estimates and as prescribed in the guidelines resulting in loss of central assistance of ₹ 5.36 crore. The Society had extended extra financial benefit to two NGO-run EMRSs (₹ 2.07 crore) managed on PPP mode by releasing excess recurring grants.

Due to non-starting/part commencement of higher secondary section, the students of eight EMRSs and 19 GLRSs were deprived of higher secondary education. Out of 36 EMRSs and 43 GLRSs, the choice of all the three streams was available in only four EMRSs. The teachers were appointed on monthly fixed remuneration on contract basis which was lower than the minimum wages of the State for skilled labourers. As a result, many of them left the job in between leading to vacancies and affecting regular conduct of classes.

The Society could not start the construction work of seven EMRSs and eight GLRSs though GoI had provided funds to the tune of ₹ 110 crore. Due to non-availability of buildings, these schools were being run in the buildings of other schools. As a result, the classrooms and hostels were found overcrowded in ITDP Banaskantha. Shortage of bed and mattress was noticed in two EMRSs and six GLRSs test-checked. In EMRS, Jagana, against 479 students, only 294 sets of bed, mattress and linen were available; in EMRS, Kadana, against 338 students, only 155 beds were available and the overall shortage of beds in eight out of 12 test-checked schools was 27 *per cent*. During visit of three test-checked GLRSs of ITDP, Chhotaudepur, students were found collecting water from the water tankers for storing them in the buckets for their use as the building had no facility of direct water connections.

Monitoring and evaluation of the schools by the Society was found deficient as it had not established any mechanism to assess curricular and extra-curricular progress of the students, data of EMRS students, who got admission in higher educational institutions and details of drop-outs in the Talukas.

URBAN DEVELOPMENT AND URBAN HOUSING DEPARTMENT

3.5 Unfruitful expenditure on procurement of Refuse Compactor Vehicles

Gujarat Urban Development Company Limited procured 25 Refuse Compactor Vehicles of uniform capacity and payload for the Nagarpalikas (NPs) at a total cost of ₹ 9.94 crore for efficient handling of municipal solid waste. Of the 25 vehicles, 15 could not negotiate the narrow roads/streets in the NP areas for garbage collection due to their large size, while three could not be made functional due to non-availability of matching garbage containers and non-fulfilment of warranty repairs by the contractor, leading to unfruitful expenditure of ₹ 7.16 crore.

Department of Urban Development and Urban Housing (UD&UH) Government of Gujarat nominated (September 2005) Gujarat Urban Development Company Limited (GUDCL) as the nodal agency for implementation of “Municipal Solid Waste (Management & Handling) Rules, 2000” in Nagarpalikas (NPs) of Gujarat.

In September 2013, GUDCL decided to procure Refuse Compactor Vehicles⁸⁴ (RCVs) for the NPs for efficient handling of municipal solid waste in NP areas. Accordingly, GUDCL called for requirement of RCVs from the NPs, through the Commissioner of Municipalities (CoM). Of the 159 NPs, 25 NPs⁸⁵ projected a requirement of one RCV each.

GUDCL placed three procurement orders (between March 2014 and August 2014) on TPS Infrastructure Limited, New Delhi (contractor) for supply of 25 RCVs, each having a volumetric capacity of 18 cubic meters (cum) and payload capacity of 12 tonnes per trip, at a total cost of ₹ 9.94 crore. All the 25 RCVs were supplied to the designated 25 NPs between June 2014 and November 2014. GUDCL released ₹ 9.84 crore to the contractor between July 2014 and May 2016.

In order to examine the procurement, supply and utilisation of RCVs, Audit test-checked (April-May 2018) the records of GUDCL, CoM and 23⁸⁶ of 25 NPs. Audit also conducted joint physical inspection of NPs along with NP officials to check the utilisation of RCVs. Audit scrutiny revealed the following:

- (i) Of the 25 RCVs procured, only six were in use while one met with a fatal accident in June 2017 and not being used since September 2017 (the matter was under legal adjudication in the trial court). The remaining 18 RCVs procured at a cost of ₹ 7.16 crore were not in use for almost one to five years from the dates of their supply (June 2014 to November 2014) till September 2019.

⁸⁴ RCVs are used for collection, compaction and transportation of solid waste to landfill/dumping sites.

⁸⁵ Anand, Bharuch, Botad, Bardoli, Chhotaudepur, Dandhuka, Dhangadhra, Godhra, Kalol (Panchmahal district), Kadi, Kalol (Gandhinagar district), Kathlal, Mansa, Nadiad, Padra, Patan, Porbandar, Prantij, Surendranagar, Umargam, Umreth, Valsad, Vapi, Veraval and Visnagar

⁸⁶ Bharuch and Kalol NPs (Gandhinagar district) had two RCVs each. The RCVs supplied to Bardoli and Mansa NPs were subsequently transferred to Bharuch and Kalol NPs.

Of these 18 RCVs, 15 RCVs⁸⁷ could not be operated at all, as these were found to be extremely difficult to manoeuvre through the narrow⁸⁸ streets/roads of NP areas for collection of garbage. Incidentally, the decision of GUDCL to procure RCVs of 18 cum capacity for the NPs did not emanate from the provisions of Manual on Municipal Solid Waste Management, 2000, which clearly stipulated that the selection of the type of vehicles should *inter alia* be guided by the road widths/road conditions of the cities/towns.

Further, while collecting details of RCVs from the NPs in September 2013, GUDCL neither mentioned the specifications of RCVs (capacity and payload) proposed to be procured nor did the NPs mention the exact specifications of RCVs whilst raising their demands. Consequently, all the 23 NPs were saddled with single-sized RCVs of 18 cum capacity, despite the fact that 11 of these 23 NPs had waste generation capacity of merely 6.5 tonnes per day to 15 tonnes per day.

The remaining two RCVs at Kadi and Prantij could not be put to use pending demonstration by the contractor for want of 4.5 cum mild steel closed-body garbage containers, which were to be supplied by GUDCL. One RCV at Porbandar NP was not operational due to non-functioning of hydraulic system, thus, severely hampering the loading-unloading and compacting activities.

Picture 1 and 2 illustrates the RCVs lying idle/un-utilised in Umargam and Umreth NPs.



Picture 1: RCV lying idle at Umargam NP(02.05.2018)



Picture 2: RCV lying idle at Umreth NP(24.04.2018)

The Principal Secretary, Urban Development and Urban Housing Department stated during exit conference (August 2019) that after being pointed out by Audit, the idle RCVs were put to use by transferring them to other NPs.

However, documents furnished to Audit during exit conference revealed that RCVs claimed to have been transferred to other NPs showed either

87 Bharuch, Botad, Chhotaudepur, Dandhuka, Dhangadhra, Godhra, Kalol (Panchmahal district), Kathlal, Patan, Surendranagar, Umargam, Umreth, Valsad, Vapi and Veraval

88 The RCVs require larger space to load garbage from containers which are normally placed on the narrow streets or roads sides of NPs.

the same odometer readings as noted earlier by Audit during joint physical inspection of the NPs, or slightly elevated readings on account of distances covered by the RCVs during transfers from one NP to other. This raised doubts whether the RCVs were actually transferred.

- (ii) As per tender specifications Section-III – “Other Extra Fitments”, RCVs were to have an extra fitment of two footsteps and two hand bars, one each on the left and right side at the rear, to facilitate the equipment operators to stand and travel when the compactor is moving (**Picture 3**). During joint physical inspection of NPs, Audit observed that none of the 25 RCVs supplied by the contractor had extra fitments of footsteps and hand bars (**Picture 4**).



Picture 3: RCV in Rajkot Municipal Corporation with footsteps and hand bars (15.06.2018)



Picture 4: RCVs supplied to 25 NPs without footsteps and hand bars. Photograph of Bharuch NP is illustrated here (18.05.2018)

Even as the RCVs supplied by the contractor did not conform to tender specifications, these were certified to have been delivered correctly in good condition as per tender conditions by the Technical Approval Group (TAG)⁸⁹, the third party agency appointed by GUDCL for pre and post-despatch inspection of RCVs. Consequently, GUDCL, as contract Manager, had no reasons to either withhold the last tranche of 10 *per cent* of the contract value payable to the contractor after submission of inspection report or, invoke the performance bank guarantee of ₹ 49.72 lakh (five *per cent* of total procurement value) furnished by the contractor, which was valid until the warranty period of 36 months. The contractor, thus, escaped punitive action/financial penalties due to erroneous certification of equipment by the TAG.

The Principal Secretary stated that the matter of extra fitments of footsteps and hand bars in the RCVs would be taken up with the contractor at the earliest.

- (iii) In its bid document (December 2013), the contractor had offered to provide after-sales service support, including supply of spares for

⁸⁹ TAG comprised of one Chairman and two Members – Shri K.C. Bharti, Chairman (retired Chief Engineer, Mechanical, Water Resources Department); Shri V.R. Patel, Member (retired Chief Engineer, Mechanical, Water Resources Department); and Shri Vijay H. Mistry, Member (Joint Director, Mechanical, Ahmedabad Municipal Corporation)

RCVs, for a period of 10 years. However, GUDCL did not enter into an after-sales service agreement/maintenance contract with the contractor after the expiry of warranty period of 36 months. Thus, the vital issues relating to long-term repairs and maintenance needs of RCVs remained unaddressed.

Even during the warranty period, the contractor did not respond to the numerous calls of Porbandar NP to fix the fault(s) encountered (December 2016) in the hydraulic system of the RCV.

Thus, GUDCL incurred an unfruitful expenditure of ₹ 7.16 crore on procurement of 18 RCVs due to their limited ability to navigate the narrow streets of NP areas, non-availability of matching garbage containers and non-fulfilment of warranty repairs by the contractor. GUDCL also did not ensure that supply of RCVs was as per tender specifications. Further, it also did not enter into maintenance contract for the RCVs post-warranty, to address the long-term repairs and maintenance requirements of vehicles.



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The 18 March 2020

