Chapter-2

Planning & Financial Management

Chapter- 2

Planning & Financial Management

2.1 Planning

The Samagra Shiksha Implementation Framework (SSIF) issued by the Ministry of Education, Government of India (GoI) in October, 2022, highlights that planning is required to achieve intended goals efficiently. It involves both long-term and annual plans, while following a bottom-up, participatory approach. This approach helps both in the smooth implementation of the Scheme and in optimising use of resources.

2.1.1 Non-existence of Perspective Plan

Paragraphs 14.4 of SSIF and 2.4 of FMP highlights the importance of Perspective Plans in achieving universal education goals. The Perspective Plans *inter alia* include major components[8] and intervention-wise activities and their projections for subsequent years. These Perspective Plans were to be prepared by each district for a period of three to five years. These plans were to be consolidated at the State level by the Paschim Banga Samagra Shiksha Mission (PBSSM) for its onward submission to the Project Approval Board (PAB), GoI, for approval. Keeping the goals of the Perspective Plan in view, Annual Work Plan & Budgets (AWP&Bs) were also to be prepared every year by districts as well as PBSSM and approved by the PAB, GoI.

In this context, it was noted by Audit that the PBSSM did not prepare any Perspective Plans during 2019-20 to 2022-23[9]. Perspective plans were also not prepared by the districts during the period covered under Audit. It was, however, observed that AWP&Bs were prepared by the districts and PBSSM for each year during FYs 2019-20 to 2023-24.

In absence of Perspective plans, intervention-wise goals and future strategies to achieve these goals were not available. Hence, progress made by the State/districts against such intervention remained unascertained.

The Department in reply stated (July 2025) that the Perspective Plans for the years 2023-24 onwards were submitted to the GoI. However, no corroborating documents to substantiate this contention were provided by the Department.

2.1.2 Non-existence of participatory and bottom-up planning

The SSIF promotes a bottom-up approach to planning, for the purposes of reflection of grassroots level inputs. As per SSIF guidelines, the identification process should start at the community level, by focusing on equitable access, infrastructure gaps, teacher quality, training, curriculum development and special focus groups. The School Management Committee (SMC)[10]/ Village

[8] viz. Access and Retention, Gender & Equity, Inclusive education, Teachers' training, Vocational education etc. as envisaged under the Scheme are included to define the broader outline to AWP&B.

[9] PBSSM stated that it had prepared Perspective Plan for 2023-24 to 2025-26.

[10] A School Management Committee is a body established in schools, particularly in government-funded schools, to facilitate community involvement, particularly parental participation, in school affairs. The SMC plays a vital role in school governance, encompassing aspects like planning, financial management, and ensuring the safety and well-being of students and staff.

Education Committee (VEC)[11], in collaboration with stakeholders, facilitated by the Block level authorities, was responsible for preparing a School Development Plan (SDP) for each school. These SDPs were to be compiled at the block level and further consolidated at the district level as part of the AWP&Bs for onward submission to PBSSM for preparation of State level AWP&B.

Audit, however, noticed that:

- None of the 72 test-checked schools had prepared SDPs during the period 2019-24.
- Paragraph 14.3.2 of the SSIF stipulated that there was need to carry out an assessment by conducting household surveys, on an annual basis for the purposes of micro planning. However, no household surveys were conducted by the District SSM office/PBSSM during the period 2019-24, in violation of the extant rule, leading to gaps in need assessment.
- Paragraph 14.16.3 of SSIF laid out the role of district and block planning teams in the preparation of annual plans. Further, para 14.18 of the SSIF stipulates that the district planning team, in turn, would appraise all the SDPs, prioritise them and consolidate them so as to finalise the district level AWP&B. It was noticed that the SDPs were not prepared at the school level and as such their consolidation at block level was absent. However, all the districts had prepared the AWP&Bs. It is, therefore, evident that the AWP&B of the districts were prepared on an adhoc basis, without obtaining any inputs from the school level, during the period of audit.
- As per Para 13.8 of SSIF, schools would develop their SDPs with the involvement of their SMCs. School authorities were also to organise training of SMC members, every calendar year to apprise them of the SDP formulation process. In contravention, no such trainings for SMC members had been organised making them unaware of the preparation of SDP process.

Due to these deficiencies, district plans did not reflect actual needs at the grassroots level, which in turn affected the State annual plan under PBSSM.

The Department in reply stated (July 2025) that the district units prepared their plan after getting plans from Block and School level and claimed that the planning process followed a bottom-up approach.

The reply of the Department is not acceptable as SDP was not prepared by any of the test-checked schools and Blocks visited by Audit.

2.1.3 Non-Existent School Safety Plan

As per paragraph 5.6 (f) of guidelines on schools safety and security issued by the Ministry of Education, GoI and paragraph 5.18 of SSIF, the State must ensure that children's education takes place in a safe environment. This requires schools to create and display a School Safety Plan including a Disaster

[11] VEC is a community-based body to promote decentralised governance and ensure elementary education by fostering community participation in school management and planning. It consist members from Gram Panchayat, Headmaster, parents, NGOs and Health workers

Management Plan (DMP), to be prepared by the School Safety Committee, containing classroom wise disaster sub-plan. However, audit noticed major lapses in compliance as neither school safety committees were set up nor Safety Plans were prepared in any of the test-checked schools. Further, Disaster Management Plans, as mandated, were also not prepared. Besides, trainings in safety/ disaster were not provided and no structural safety audits were conducted.

The Department in reply (July 2025) stated that out of the 63,464 schools, DMP of 10,216 (16 *per cent*) schools had been finalised, 59,808 (94 *per cent*) schools had undergone regular training in safety and 8,129 (13 *per cent*) schools had conducted structural safety audits as of March 2025. The reply of the Department was not acceptable as only 16 *per cent* of School DMPs were finalised and only 13 *per cent* schools had conducted structural safety audits whereas these should have been done in all the schools.

Recommendation 1: The Paschim Banga Samagra Shiksha Mission should prepare and implement long term Perspective Plans with bottom-up approach as envisaged in the guidelines.

2.2 Financial Management

Under the Samagra Shiksha scheme, funds were shared between the Centre and State in a 60:40 ratio. Budget proposals were structured as Annual Work Plan and Budget (AWP&B) that were prepared by the PBSSM and finalised based on the previous year's achievement. The AWP&B covered key interventions and required approval from the Project Approval Board (PAB), GoI.

2.2.1 Sub-optimal utilisation of available fund

Actual receipt of funds, funds available during the year and utilisation there against during the period from 2019-24 are shown in **Table 2.1** below:

Table 2.1: Availability of funds *vis-a-vis* utilisation (*₹ in crore*)

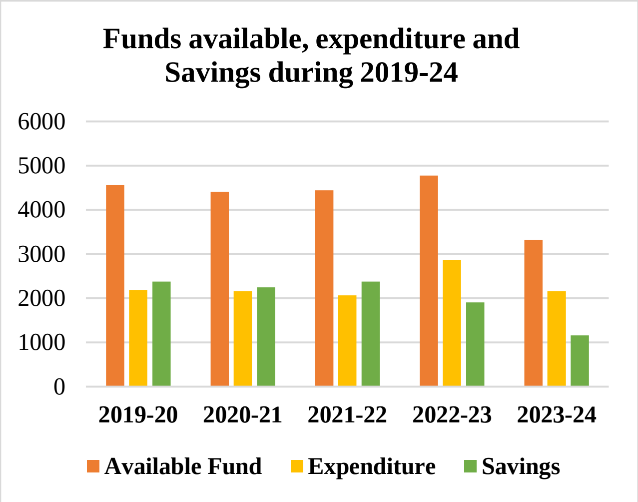
FY	Opening Balance	Actual Release		Other Receipt[12]	Total fund available during the year	Funds Utilised (percent *w.r.t.* available fund)	Closing Balance
		Central	State				
2019-20	1,880.17	1,579.05	1,052.70	49.06	4,560.98	2,185.95(48)	2,375.03
2020-21	2,375.03	1,327.04	665.32	39.04	4,406.43	2,161.61(49)	2,244.82
2021-22	2,244.82	1,291.26	867.94	40.21	4,444.23	2,063.87(46)	2,380.36
2022-23	2,380.36	1,522.04	861.50	12.72	4,776.62	2,867.43(60)	1,909.19
2023-24	1,909.19	311.29	908.25	188.62	3,317.35	2,156.99(65)	1,160.36
Total		**6,030.68**	**4,355.71**	**329.65**			

Source: Records of PBSSM

During the period 2019-24, PBSSM had received ₹6,030.68 crore and ₹4,355.71 crore as Central and State share respectively. The utilisation of fund was, however, not up to the mark and ranged between 46 and 65 *per cent* during 2019-24. This consequently resulted in substantial unspent fund balances at the end of each financial year, indicating poor funds utilisation, which adversely impacted the scheme's effectiveness.

[12] *Other receipts include interest earned, refunds received from districts etc.*

Chart 2.1 Savings *vis-à-vis* Funds available



In this regard Audit observed that delays in civil works (infrastructure) and slow spending in key areas like, teachers training, special training for out-of-school children, community mobilisation, library grants, ICT and digital initiatives and early childhood care education led to an accumulation of funds at the State level.

The Department did not furnish any specific reply in this regard (August 2025).

2.2.2 Poor fiscal Management

The Financial Management and Procurement Manual 2018 (FMP)[13] of the Scheme mandated the release of funds in two instalments: one in April for expenditure between April and September and the second in September for expenditure between October and March. The second instalment was contingent on expenditure progress and implementation quality. Further, the first instalment was to be released only after receiving Utilisation Certificates (UCs) for the previous year.

The Ministry of Finance, GoI in March 2021 issued instructions for transfer of Central share to the concerned Single Nodal Agency's (SNA) account of the State, within a period of 21 days of its receipt. Further, corresponding State share had to be released as early as possible and not later than 40 days of release of the Central Share.

It was, however, observed in Audit that after receipt of GoI share of funds, the State Government released it to PBSSM with delays ranging between two and 85 days. Audit also noted that there were delays ranging between two and 139 days in release of State's share.

It was further noticed that PBSSM submitted UCs to the GoI with delays which ranged between nine and 11 months. Records also showed that the GoI released ₹ 1,229.20 crore (20.38 *per cent*) and the GoWB released ₹ 1,230.29 crore (28.24 *per cent*) in the month of March during the FYs 2019-24, which made spending difficult during the fag end of the financial year.

Table 2.2: Receipt and releases of funds in the month of March ***(₹ in crore)***

Year	Total amount released by GoI	Amount released in the month of March by GoI (*Per cent*)	Total amount released by GoWB	Amount released in the month of March by GoWB (*Per cent*)
2019-20	1,579.05	0 (0)	1,052.70	85.75 (8)
2020-21	1,327.04	329.44 (25)	665.32	219.63 (33)
2021-22	1,291.26	336.28 (26)	867.94	224.19 (26)
2022-23	1,522.04	563.48 (37)	861.50	377.39 (44)
2023-24	311.29	0 (0)	908.25	323.33 (36)
Total	**6,030.68**	**1,229.20 (20)**	**4,355.71**	**1,230.29 (28)**

13 Issued by Department of School Education & Literacy, Ministry of HRD,GoI

Source: Records of PBSSM

Release of 20 *per cent* of total allocation in the month of March by GoI and subsequent release by State to PBSSM indicated poor fiscal discipline. As a result, the funds flow for different activities remained uneven and to that extent, deficient.

In reply the Department stated (July 2025) that major portion of the allotted funds were received by PBSSM at the end of the financial year thereby restricting the utilisation of funds within the financial year.

The contention of the Department was however not convincing as PBSSM could utilise only 46 to 65 *per cent* of the available funds during 2019-24 as mentioned in ***paragraph 2.2.1***.

2.2.3 Consistent spill over works over the years led to surrender of works - ₹ 395 crore

Paragraph 14.10 of SSIF outlined that if an approved allocation was not spent fully, the same would become outlay saved[14]. Savings under non-recurring heads[15] from the previous year were carried forward as spill-over activities in the next year. The central financial assistance for these spillovers was available for the next three years, extendable up to five years, post-approval by the PAB. If the approved works remain incomplete beyond this period, the respective State would have to complete it on its own.

Audit observed that 4,034 sanctioned civil works (sanctioned between 2004-05 and 2009-10) including the construction of toilets, additional classrooms, ramps, *etc.*, had not been initiated by the State till March 2019. As a result, it was decided (May 2019) by the State to surrender works that had been sanctioned but had remained unexecuted. Consequently, ₹395.34 crore allocated for these works was surrendered (May 2019) by PBSSM depriving students of the envisaged infrastructural facilities.

The Department did not furnish any specific reply in this regard (August 2025).

2.2.4 Short release of committed share

Paragraph 3.4.7 of the FMP manual outlines the process for handling unspent funds from the Central share for recurring grants[16]. Any leftover funds at the end of a financial year were carried over to the next year for use in approved recurring activities. The amount carried forward was to be adjusted against the central share of recurring grants due for the year. However, PBSSM consistently struggled to utilise funds within the financial year, leading to significant savings. As a result, GoI adjusted or curtailed these unspent amounts against the Central share due for the following year, which also led to a reduction in proportionate matching share of the State. Thus, adjusted/curtailed Central share and diminished State share reduced the scheme fund available, which adversely affected the intended objectives of the Scheme, as shown in ***Appendix 2.1*** and reduction in fund compared to committed funds as illustrated in **Table 2.3**.

[14] *The amount that could not be spent by PBSSM within the financial year was termed as 'outlay saved'.*
[15] *Capital nature works are under non-recurring head viz. construction of additional classroom (ACR), New School Building (NSB), Girls hostels, toilet, etc.*
[16] *Recurring grants included composite school grant, grant for manpower deployment and other teaching learning aids/ materials, grant to SCERT & DIET for Program & Activities etc.*

Table 2.3: Committed Release *vis-à-vis* actual release of funds ***(₹ in crore)***

Year	Committed Central Share (I)	Matching State Share (II)	Actual Central Share Received (III)	Matching State Share received (IV)	Total shortfall (V)= (I-III) +(II-IV)
2019-20	1,635.26	1,090.17	1,579.05	1,052.70	93.68
2020-21	1,338.77	892.51	1,327.04	665.32	238.92
2021-22	1,338.77	892.51	1,291.26	867.94	72.08
2022-23	1,629.96	1,086.64	1,522.04	861.50	333.06
2023-24	1,745.80	1,163.87	311.29	908.25	1,690.13
Total	**7,688.56**	**5,125.70**	**6,030.68**	**4,355.71**	**2,427.87**

Source: Data from SPD

Thus, an amount of ₹ 2,428 crore was short released by GoI (₹ 1,658 crore) and State Government (₹ 770) during 2019-24 due to non-utilisation of Central share of recurring grants by the State.

The Department stated that it had asked GoI to release the balance portion of the committed central share in February and March 2024.

The fact, however, remains that due to non-utilisation of allocated Central funds within the stipulated time frame resulted in reduction of committed Central share and matching State share which restricted the scope of the scheme and also imposed a limitation on reach and effectiveness of the scheme.

Recommendation 2: The Department may ensure utilisation of allocated funds within the stipulated time frame to achieve the objectives for which funds were received and to avoid curtailment of future releases.

2.2.5 Funds allocation in test-checked districts

During audit it was noted that the funds allocated to test-checked districts were significantly lower than the amount approved in AWP&B for the district, with allocations ranging between 19 *per cent* and 49 *per cent* of amounts approved in AWP&B during 2019–24 as shown in **Table 2.4** below:

Table 2.4: Funds allocated to test-checked districts **(₹ in crore)**

Name of District	Period of approval	Funds approved in AWP&B	Funds received (*per cent*)
Bankura	2019-24	808.70	386.59 (47.80)
Uttar Dinajpur	2019-24	709.91	344.81 (48.57)
Murshidabad	2019-24	1,600.63	711.78 (44.47)
Purulia	2020-24	632.88	120.59 (19.05)
Dakhin Dinajpur	2020-24	342.34	123.29 (36.01)
Paschim Medinipur	2020-24	733.44	302.05 (41.18)

Source: AWP&B of the districts

The inadequate allocation of funds prevented several crucial interventions from being executed. Though provisions in the AWP&B existed, essential components like interventions for access & retention, quality improvements, vocational training, physical education etc., could not be implemented in the examined districts due to lack of allocation, as shown in ***Appendix 2.1***.

The Department in its reply stated (July 2025) that allocation to the districts depended on the availability of funds and requirements of the district. It was also claimed that GoI did not provide committed funds, which impacted the functioning of the Scheme.

The reply of the Department was however not acceptable as Audit had noted substantial unspent balances at the end of each financial year under review, indicating poor fund utilisation and resultant adjustment/curtailment of Central share by GoI *(Paragraphs 2.2.1 & 2.2.4)*.

2.2.6 Retention of funds outside SNA Account

The Ministry of Finance, GoI, introduced the SNA account system in March 2021 to improve cash management and enhance efficiency in public expenditure. Under this system, the nodal agency (PBSSM) was required to open the SNA by 1 April 2021 and unspent funds retained by different implementing agencies were required to be returned to the SNA.

However, delays and irregularities were noticed in violation of the above stipulation:

- **PBSSM** opened the SNA in August 2021 after a delay of four months from the issue of the SNA notification by MoF (April, 2021). Further, it was noticed that ₹89.49 crore remained parked in bank accounts of PBSSM (outside SNA), as of March 2024.
- **Even in case of the PBRSSM**, which was the nodal office for managing Shishu Shiksha Kendra (SSKs) and Madhyamik Shiksha Kendra (MSKs), an amount of ₹228.31 crore was still lying in its accounts, instead of refunding it in the SNA (as of March 2024).
- **District irregularities:** DEO, SSM, Purulia retained ₹4.76 crore in its bank accounts since June, 2022 instead of depositing the same in the SNA account of PBSSM. Further, contrary to the directions of GoI to deposit unspent amounts in the SNA account , DEO, SSM, Paschim Medinipur instead used these unutilised funds (₹ 6.53 crore), towards salary and office expenses[17] during 2023-24.
    - DEO, SSM, Murshidabad retained ₹9.06 crore since June, 2022 in the DM's PL Account and used it subsequently for construction related works.

These observations highlight delays in compliance, unauthorised fund retention and diversion of funds to other components, indicating inefficiencies in implementing the SNA system.

SPD, PBSSM in reply stated (October 2024) that no violation of guidelines had taken place. The reply however is not acceptable as both PBSSM and PBRSSM retained ₹89.49 crore and ₹228.31 crore respectively in their respective bank accounts in contravention of stipulations referred *ibid*.

2.2.7 Unauthorised retention of funds on closed programmes

The District Primary Education Programme (DPEP) and the National Programme for Education of Girls at the Elementary Level (NPEGEL) were launched by GoI in 1994 and 2003, respectively, to enhance primary education and address the educational needs of girls. However, DPEP was discontinued in 2003, while NPEGEL ended in 2014.

In June 2016, GoI directed the State to refund the unspent balances from these closed programmes. Accordingly, in September 2016, the SPD, PBSSM, instructed district authorities to return unutilised funds and close related bank

[17] *The funds had been intended for supply of uniform to children*

accounts. It was however noted that, as of March 2024, the amount of ₹ 23.53 crore (₹9.95 crore from DPEP and ₹13.58 crore from NPEGEL) remained unspent in PBSSM's accounts and had not been refunded to GoI. Further, an amount of ₹23.25 lakh from NPEGEL was also parked with DEO, SSM, Purulia.

The Department in reply stated (July 2025) that as there were no instructions from GoI, the balance funds of the closed programmes were transferred to the SNA account of Samagra Shiksha. The reply is not tenable as the unutilised funds should have been transferred to GoI as per its direction of June 2016.

2.2.8 Irregular transfer of RMSA funds to the State exchequer

The RMSA was a centrally sponsored scheme launched in 2009 to improve secondary education in India. In 2018-19, RMSA was merged into the Samagra Shiksha program. An unspent balance of ₹6.11 crore remained in the RMSA bank account of the State. The unspent balance was supposed to have been used for Samagra Shiksha, instead, the entire amount of ₹6.11 crore was transferred to the State Government in November 2019. Further, no permission was taken from GoI.

The Department in its reply accepted the audit observation (July 2025).

2.2.9 Irregular expenditure from scheme funds

Scrutiny of records revealed irregular expenditure of ₹6.13 crore by PBSSM and district SSM authorities on purposes not approved under Samagra Shiksha. PBSSM incurred ₹3.78 crore on advertisement of programmes like tablet distribution, topper felicitation and student events during the period 2019-24. Additionally, ₹2.35 crore from SSM funds in four districts was spent on *Taruner Swapna*,[18] a scheme solely funded by the GoWB.

The Department in reply (July, 2025) stated that all the expenditure incurred for advertisement, administrative expenses were related to management of projects related to education. The reply however, was not acceptable as expenditure on advertisement was not related to interventions/components of the Samagra Shiskha scheme.

Further, no reply was furnished by the district authorities or by the Department with regard to Scheme funds irregularly spent on the *Taruner Swapna* scheme.

2.2.10 Unadjusted advance

Para 3.4 of the FMP guidelines outline the conditions for release of funds under the Scheme. This required the State Implementing Society (PBSSM) to submit to GoI, a statement of outstanding advances accrued and adjusted when requesting the first and second instalments of grants. On receipt of funds, the District Sarva Shiksha Mission (SSM) authorities allocated funds to various executing agencies (CLRCs, PWDs, BDOs, Schools *etc.*), booking them as advances until UCs were received from these agencies.

---

[18] *Taruner Swapna, a scheme of GoWB introduced in December 2020 for providing financial assistance of ₹10,000 to the students of Class-XII for procurement of Tablet/PC/Smart phone to facilitate uninterrupted continuous studies in online mode.*

During the period 2019-24, funds were allocated by PBSSM to district/circle offices for civil (e.g., classrooms, boundary walls, toilets) and non-civil works (e.g., block resource centres, transport allowances to CwSN children, maintenance grants). However, accounts of PBSSM (2023-24) revealed that as of 2023-24, ₹682 crore remained unadjusted at the State and district levels, with test-checked districts showing ₹195.14 crore as unadjusted (since inception of the scheme to March 2024). Absence of UCs or, advance registers led to poor tracking of funds utilisation/ funds advanced and hindered future grants and release of funds besides entailing the risk of misutilisation and misappropriation of funds.

The Department in reply stated (July 2025) that the adjustment of advance is a continuous process. The reply was not tenable as year-wise records should have been maintained by PBSSM to track adjustment of past years.