

EXECUTIVE SUMMARY

Performance Audit on “Implementation of POSHAN including Integrated Child Development Services and Mid-Day Meal”

Introduction

The National Policy on Children, 1974 declared children as the nation's "supremely important asset" and recognised that programmes for children should find a prominent place in national plans for the development of human resources. Accordingly, the Integrated Child Development Services (ICDS) was evolved in 1975 by the Government of India with the major objectives of (i) improving the nutritional and health status of children in the age group of 0-6 years, (ii) laying the foundation for psychological, physical and social development of the child, (iii) reducing the incidence of mortality, morbidity, malnutrition, and school dropout, (iv) achieving effective coordination of policy and implementation amongst the various departments to promote child development; and (v) enhancing the capability of the mother to look after the health and nutritional needs of the child through proper nutrition and health education.

Similarly, the National Programme of Nutritional Support to Primary Education was launched as a Centrally Sponsored Scheme on 15 August 1995, initially in 2,408 blocks of the country, to enhance enrollment, retention, attendance and simultaneously improve nutritional levels among children. The scheme was renamed as the Mid-day Meal in the year 2001. In September 2004, the scheme was revised to provide cooked mid-day meals to all children of classes I-V classified as Primary School. The scheme was further revised to cover children in classes VI to VIII, classified as Upper Primary School in October 2007.

Subsequently, the Ministry of Women and Child Development, Government of India launched POSHAN¹ abhiyan on 08 March 2018 with the objective of preventing and reducing the level of stunting, under-nutrition, and low birth weight of children. Further, the POSHAN scheme was renamed (06 October 2021) as the Pradhan Mantri Poshan Shakti Nirman (PM POSHAN) by the Government of India.

Performance Audit of the schemes was carried out to assess whether identification of beneficiaries was proper and as per relevant guidelines; procurement was made in an effective, efficient and economical manner for timely delivery of food and nutritional support; management and distribution of food and nutritional support was efficient and effective so as to ensure that all eligible beneficiaries availed nutritional support in time of the prescribed quality and quantity; and internal control systems for monitoring and grievance redressal were adequate and effective.

(Paragraph 1)

¹ Prime Minister's Overarching Scheme for Holistic Nutrition

Integrated Child Development Services

Despite availability of funds of ₹5,128.95 crore during the FYs 2018-23 (excluding opening balance of ₹29.58 crore of the year 2017-18), the Women and Child Development Department of Government of Odisha (GoO) utilised ₹4,777.12 crore (93.14 *per cent*) leaving an unspent balance of ₹381.41 crore as of March 2023. The year wise percentage of utilisation of funds varied from 71.32 *per cent* to 97.25 *per cent*. There were persistent delays in submission of Utilisation Certificates to the Ministry of Women and Child Development, Government of India. Such delay ranged from nine to 123 days during the period 2018-23. In the six test-checked Districts Social Welfare Offices, there were delays in submission of Utilisation Certificates ranging from one to 416 days by the concerned District Social Welfare Offices to the Department. Delay in submission of Utilisation Certificates led to curtailment in approval of Central Share of ₹339.20 crore by GoI during 2018-19 to 2022-23.

(Paragraphs 2.1 and 2.1.1)

Against the allocated quantity of 2,22,851.21 MT of rice and 2,98,403.20 MT of wheat during the period 2018-23, the Transport Agents lifted 2,02,598.15 MT and 2,85,375.60 MT respectively. As such, there was short lifting of rice and wheat by 20,253.06 MT (2.27 to 33.22 *per cent*) and 13,027.60 MT (0.47 to 21.16 *per cent*) respectively.

(Paragraph 2.2.2)

During 2018-23, in Annual Programme Implementation Plans, 2,19,43,372 beneficiaries were planned to be covered under the Supplementary Nutrition Programme against which, ₹5,430.66 crore was required as per the cost norms approved in the guidelines. However, all beneficiaries were shown as covered with an expenditure of ₹4,777.12 crore only (instead of the full projected requirement of ₹5,430.66 crore), which indicated that either all the beneficiaries had actually not been covered, or that the State had furnished incorrect information to Government of India for release of funds. This observation is further supported by the fact that in the six test-checked DSWOs, 1,98,103 beneficiaries did not receive nutritional support under the scheme.

(Paragraph 2.2.3)

The delay of more than two years in procurement of Aadhaar enrolment kits, non-procurement of 338 Tablet-based enrolment kits despite availability of funds; and non-utilisation of 282 Aadhaar kits led to delay in Aadhaar-based authentication of beneficiaries in the age group of zero to five years, which was targeted to be completed by 31 March 2018. As of January 2025, enrolment in this age group stood at just over 52 *per cent*.

(Paragraph 2.2.4)

In Rayagada district, the Transport Agents had to deliver 86,780.86 quintals of wheat to the Self-Help Groups against which they delivered 86,409.86 quintals of wheat during 2018-23, leaving an undelivered balance of 371 quintals costing ₹9.71 lakh which was shown as 'nil' in the Closing Balance of the stock register. Further, Joint Physical Verification by Audit in 60 sampled AWCs under six selected DSWOs, along with Departmental officers, revealed

that, the actual weight of 115 rice bags at Anganwadi Centres was short by 6.73 quintals compared to the weight indicated on the tags. Based on the average shortage observed, there was a likelihood of short delivery of about 62,686.12 quintals of rice to AWCs in these districts, valued at approximately ₹20.85 crore.

(Paragraphs 2.3.1 and 2.3.2)

One Transport Agent was liable to pay ₹23.19 lakh for the short supply of foodstuffs (966.15 quintals of wheat). However, the District Social Welfare Officer, Puri had recovered ₹2.65 lakh only from the Transport Agent. This resulted in short recovery of ₹20.54 lakh from the Transport Agent. Reasons for short recovery were not on record.

(Paragraph 2.3.5)

As per the Revised Guidelines for Implementation of THR, 2018, a Transport Agent must not deliver wheat beyond a month's requirement to Self Help Groups (SHGs), and any deviation should attract penalties, with persistent lapses inviting stringent legal action. However, inability to assess the actual monthly requirement, excess indent by DSWO and delivery of wheat by Transport Agents over the required quantity in violation of the guidelines, led to huge accumulation of unused stocks of wheat amounting to 7,252.86 quintals by the end of June 2019 with the Self-Help Groups, resulting in loss of 2,000 quintals of wheat worth ₹41 lakh during cyclone Fani.

(Paragraph 2.3.9)

Scrutiny of stock registers of four SHGs (Maa Bhagawati, Maa Chakrashila, Baitarani Maa Laxmi and Maa Tarini) engaged in the preparation of THR under three CDPOs (Gop in Puri district, Suliapada and Baripada in Mayurbhanj district) indicated shortage of 940.01 quintals of wheat worth ₹24.60 lakh due to absence of periodical physical verification of stock of wheat with the SHGs which resulted in loss to the Government exchequer. This was indicative of poor internal control mechanism, resulting in shortage of wheat.

(Paragraph 2.3.10)

Supervision and processing cost of ₹2.79 crore was to be paid to nine Self-Help Groups at the rate of ₹0.31 per beneficiary for 25 days per month for distribution of take-home ration to 36,03,184 beneficiaries during 2018-23, against which the Self-Help Groups were paid ₹8.52 crore. This resulted in excess payment of ₹5.73 crore to the Self-Help Groups towards supervision and processing cost and reduction in the cost of ingredients.

(Paragraph 2.3.11.1)

During Joint Physical Inspection (10 to 12 January 2024) of Anganwadi Centres under the Child Development Project Office, Jharsuguda, it was noticed that in two Anganwadi centres, the parboiled rice (PBR) used for Hot Cooked Meals was damaged and discoloured. In Mandirapada Anganwadi centre, all PBR bags were affected by black bugs and were in damaged condition. Further, 80 *per cent* of rice grain in the sample of Banjari

Anganwadi centre tested at the laboratory of Food Corporation of India, Sambalpur was found encrusted with live infestation and the moisture content in the sample was 14.5 *per cent*. The sampled rice from Mundadhupa AWC was found unfit for human consumption, as it contained 24.8 *per cent* damaged PBR and 14.9 *per cent* moisture, against the prescribed maximum limits of four *per cent* and 14 *per cent*, respectively. Furthermore, a test check of monthly bills of 12 SHGs under DSWO, Jharsuguda, revealed that seven SHGs had procured palm oil for preparation of THR, despite the SNP Guidelines, 2018 mandating the use of only refined or sunflower oil.

(Paragraph 2.3.12)

As per the Revised Guidelines for Implementation of Take Home Rations (THR), 2018, adolescent girls were to be provided THR under the Scheme for Adolescent Girls (SAG) at a ration cost of ₹9.50 per beneficiary per day. Implementation of SAG in the State was poor as expenditure of ₹10.74 crore (54.77 *per cent*) only was incurred during 2018-23 against availability of fund of ₹19.62 crore. In test checked districts of Balangir and Rayagada, against the requirement of fund of ₹154.12 crore, ₹2.38 crore were allotted and expenditure of ₹1.99 crore only was incurred during 2018-23.

Scrutiny of records in the DSWOs of Balangir and Rayagada revealed that ₹154.12 crore was required to provide SNP (THR) to all enrolled beneficiaries. However, only ₹2.38 crore (1.54 *per cent*) was allotted by the Department, out of which the DSWOs incurred an expenditure of ₹1.99 crore. Further, against the requirement of 1,52,045 quintals of wheat for all beneficiaries enrolled under SAG during 2018-23, the DSWOs received only 7,567 quintals (4.98 *per cent*). Such short allocation and supply hampered the implementation of SAG and undermined its objective of providing supplementary nutrition to adolescent girls.

(Paragraph 2.3.13)

According to the Revised Guidelines for Implementation of Morning Snacks and HCM, 2018, each child in the age group of zero to six years must be weighed at least once every month and the weight should be plotted in the World Health Organisation's growth standards register. Scrutiny of records of six sampled districts revealed that out of total 38,22,653 children eligible for weighment in six selected districts, weight and height of 36,45,520 children were taken, leaving 1,77,133 children unmeasured during 2018-23. Of the 36,45,520 children measured, 1,56,676 children were found to be moderately malnourished and 4,723 children were found severely malnourished. Due to non-measurement of 1,77,133 children, number of malnourished children amongst them could not be ensured.

(Paragraph 2.3.14)

Although SFTL had conducted tests against some analytical parameters of *chhatua* samples, it had not tested test for essential parameters/ characteristics such as proportion of ingredients, minerals, vitamins, microbiological parameters, total aflatoxin, heavy metal and pesticide residue.

(Paragraph 2.3.15.2)

The test-checked Child Development Project Offices (CDPOs) had sent 895 samples of *chhatua* to the State Food Testing Laboratory during 2018-19 to 2022-23. Analysis reports of 480 samples only were received by the concerned CDPOs after lapse of 23 to 576 days and analytical reports of the remaining 415 samples were not received by the Child Development Project Offices even after lapse of 96 to 2,117 days till August 2023-January 2024. This clearly indicates a lapse on the part of the CDPOs to ensure that the *chhatua* distributed to the beneficiaries conformed to the prescribed standards laid down under the FSS Act and regulations.

(Paragraph 2.3.15.3)

Funds of ₹181.65 crore were released by the GoO for the construction of 2,595 Anganwadi centre buildings. Out of which, 1,461 buildings had been completed and handed over by the Block Development Officers to the concerned Child Development Project Officers as of March 2023. However, 1,093 buildings, had been handed over without electrical installation and sanitary fittings. As a result, these buildings were functioning without basic amenities like electricity and sanitary fittings.

(Paragraph 2.4.1)

Out of 18,717 Anganwadi centres functioning in the test checked districts, only 12,833 (69 *per cent*) had a kitchen, 7,911 (42 *per cent*) had toilets, 13,982 (75 *per cent*) had drinking water facilities and only 3,799 (20 *per cent*) Anganwadi centres had electricity facilities. Further, only 13,256 (71 *per cent*) Anganwadi centres were functioning in own buildings while 1,707 (9 *per cent*) Anganwadi centres were functioning in rented buildings, 1,688 (9 *per cent*) from school buildings and 2,066 (11 *per cent*) Anganwadi centres were functioning in community buildings. In Barmal Anganwadi centres under District Social Welfare Officer, Jharsuguda, muddy polluted water had been used for cooking of Hot Cooked Meals. This was also corroborated in an interview with the mother of a child in the AWC.

(Paragraph 2.4.2)

In the six test-checked District Social Welfare Offices, funds of ₹419.23 crore for 5,989 Anganwadi centres buildings had been released to the concerned Block Development Officers for construction under the Mahatma Gandhi National Rural Employment Guarantee Scheme during 2016-17 to 2022-23. Out of this, only 2,148 (36 *per cent*) buildings had been completed leaving 3,841 buildings incomplete (as of February 2024) despite availability of funds.

(Paragraph 2.4.3.1)

The GoO supplied (June/ July 2021) 78,389 LG smart phones to 30 District Social Welfare Offices for distribution to Anganwadi Workers, supervisors and block helpdesk personnel for enrolment of beneficiaries and other transactions through Poshan tracker. However, out of the supplied smart phones, 6,583 became non-functional within 10 to 30 days of their supply and were not functioning as of February 2024. As LG Electronics had announced (05 April 2021) closure of its mobile business unit, the services and repair of the defunct smart phones could not be done. Consequently, the objective of

effectively using the Poshan tracker application for real time evaluation of the Scheme, could not be fully achieved, resulting in loss of ₹5.62 crore.

(Paragraph 2.4.4)

In the State, 2,88,445 sets of growth monitoring devices such as 73,150 infantometers, 73,150 stadiometers and 1,42,145 weighing scales were procured and distributed (July 2021) across all the Anganwadi centres. Out of which, 20,974 devices (7.27 per cent) worth ₹2.23 crore were non-functional, indicating supply of poor quality of growth monitoring devices. This resulted in non-monitoring of the growth measurement of child and mother which was essential under POSHAN Abhiyaan.

(Paragraph 2.4.5)

District Level Monitoring and Review Committee had not been constituted in any of the six sampled districts. Further, Block level Monitoring Committee and Anganwadi Level Monitoring and Support Committee, had not been formed in any of the 12 test-checked ICDS projects and 60 test-checked Anganwadi Centres, to ensure effective implementation of the scheme.

In two of the six sampled districts (Jharsuguda and Rayagada), squads for random checking of Take Home Rations (THR) were not formed, resulting in the absence of quality and quantity verification of ingredients. Additionally, the District Nutrition Committees were not constituted in four test-checked districts (Balangir, Ganjam, Jharsuguda, and Mayurbhanj), in violation of the Ministry of Women and Child Development's directives issued in January 2021.

During 2018-23, in five out of the six test-checked districts, the DSWOs had conducted only 722 visits (48 per cent) against the required 1,500 visits. Similarly, in the 12 test-checked CDPOs, against the mandated 2,160 visits, the CDPOs conducted only 693 visits (32 per cent) during the year. Thus, cleanliness, assessment of infrastructure, storage facilities of the SHGs and quality of the THR, could not be monitored properly due to shortfall in visits by the DSWOs/ CDPOs.

Social audits under the Supplementary Nutrition Programme were conducted by the Odisha Society for Social Audit, Accountability and Transparency in four of the six sampled districts during 2018-19 to 2022-23. However, no social audits were carried out in Jharsuguda and Rayagada. Furthermore, in three districts (Balangir, Ganjam, and Puri), where social audits were conducted, the respective DSWOs did not initiate any follow-up action on the audit findings.

(Paragraph 2.6)

PM POSHAN – Mid-day Meal Scheme

In all the six test checked districts, the District Project Management Units had maintained multiple accounts in violation of Government of India's directions of maintaining a single State Nodal Account. Implementing Agencies under the District Project Management Unit had not transferred the unspent amount to the State Nodal account and parked unspent balance of ₹92.14 crore

relating to Mid-Day Meal scheme in other accounts as of March 2023. Based on the audit observation, four DEOs (Balangir, Jharsuguda, Mayurbhanj and Rayagada) have remitted the unspent balance, while the other two DEOs (Ganjam ₹17.69 crore and Puri ₹8.37 crore) were yet to remit ₹26.06 crore (May 2025).

(Paragraph 3.1.2)

The target approved by Programme Approval Board for enrolment of beneficiaries was less by three to 10 *per cent* as compared to the total enrolment for the years 2018-19, 2019-20 and 2022-23 in the State. Additionally, meals were served for five to 19 fewer days than the number of days approved by the PAB during these three years. Full achievement of targets was recorded only during the COVID-19 pandemic period, when all students received Food Security Allowances.

(Paragraphs 3.1.6.1)

As per the Mid-Day Meal Guidelines (2006), schools must maintain at least one month's buffer stock of foodgrains and cooking costs to avoid disruptions. Audit findings revealed that from 2020-21 to 2022-23, primary schools did not maintain the required stock, with one year ending in a negative balance. Similarly, upper primary schools lacked sufficient buffer stock during 2018-23. This was primarily due to short lifting of allocated foodgrains during 2018-19 to 2022-23, resulting in non-compliance with the guidelines. Further, there were instances of non-delivery of the required quantity of rice by the transport agencies in violation of the terms and condition of the transport contract for foodgrains under Mid-day Meal.

(Paragraphs 3.2.1 and 3.2.2)

In four of the six test-checked District Education Offices, dealers lifted 90,602.99 quintals of rice, but only 86,288.85 quintals were disbursed to eligible students. The remaining 4,314.14 quintals (4.76 *per cent*) remained with local retailers even after three years, resulting in the denial of dry rations to intended beneficiaries during the first phase of the COVID-19 pandemic.

(Paragraph 3.2.3)

Out of 642 schools of five districts, non-distribution of Food Security Allowances of 2,047.68 quintals of dry rice in 68 schools for a period ranging from 11 to 448 days and ₹1.34 crore of cooking cost in 49 schools for a period ranging from 11 to 538 days was noted during Covid-19 pandemic to the students. Further, 3,479.62 quintals of rice and ₹1.87 crore towards cooking cost was not distributed to students of schools specified as examination centers during examination days for the period between 2018-19 to 2022-23.

(Paragraphs 3.2.4.1 and 3.2.4.2)

In three out of six selected districts, during FY 2018-20 and 2022-23, 1,51,654 Mid-day Meals had not been served in 416 schools during National / State observance days (like, Independence Day, Republic Day, Gandhi Jayanti, Children's Day, Teachers Day, Netaji Jayanti, Saraswati Puja, Utkal Divas, and Ganesh Puja), in contravention of the Government instructions.

(Paragraph 3.2.4.4)

Two agencies under the District Education Officer (DEO), Ganjam, had been providing hot cooked meals to schools without valid contracts for extended periods. One agency operated without a contract for over four years from September 2019 to January 2024, while the other did so for more than two years, from March 2021 to January 2024. Similarly, in Puri district, the Memorandum of Understanding (MoU) with an agency was not renewed at the prescribed interval of every two years, as required. The initial MoU was signed in October 2017, but subsequent renewals were not carried out in a timely manner.

(Paragraph 3.2.7)

The School & Mass Education Department, GoO, issued instructions in April 2014 mandating that empty gunny bags were to be disposed of at the school level. At that time, the prevailing market rate for a 50 kg gunny bag was ₹8 per bag. However, scrutiny of records from six selected District Education Offices revealed that the disposal of empty gunny bags, valued at approximately ₹2.20 crore, was not carried out during the period from 2018-19 to 2022-23.

(Paragraph 3.2.8)

As against 229.77 lakh students enrolled during the years 2018-19 to 2022-23, only 99.76 lakh (43.42 *per cent*) students were covered under health checkups conducted. Further, while the distribution of weekly Iron and Folic Acid (IFA) supplements and six-monthly deworming tablets was intended for all enrolled students, the actual coverage stood at 84.59 *per cent* for IFA supplements and only 46.82 *per cent* for deworming tablets.

(Paragraph 3.2.10)

During Joint Physical Inspections (JPIs) conducted between July 2023 and January 2024, the audit observed several deficiencies in infrastructure and equipment across the inspected schools. Key findings included: Absence of drainage facilities in 19 out of 60 schools inspected; Lack of proper kitchen-cum-stores in 18 out of 50 schools; Non-installation of Multi-Tap Multi-Cap (MTMC) systems for group handwashing in 35 out of 60 schools; Unavailability of weighing machines in 44 out of 60 schools; Nutritional gardens were found in only six schools, despite 39 schools having received and utilised funds for this purpose; and Use of LPG for cooking in only seven out of 50 schools.

Further, several deficiencies related to hygiene and awareness were observed across JPI schools. In 20 out of 60 schools, essential information such as children's rights and entitlements, the food menu, MDM logo, and ingredient stock details were not displayed on school walls. In 25 schools, safety and hygiene protocols were not followed, as sitting mats were not provided during MDM service, violating the Ministry of Human Resource Development's guidelines on Food Safety and Hygiene issued in February 2025. Additionally, in 17 schools, rice bags were improperly stored and stacked, leading to grain infestation and compromising the quality of MDM ingredients. In 35 schools, teachers had neither tasted the meal before distribution nor maintained a tasting register, as required.

(Paragraphs 3.3.1 and 3.3.2)

A Joint Physical Inspection conducted on 04 December 2023 at Ambadhuni and Denguni Primary Schools under BEO, Muniguda, Rayagada district, revealed that no physical school infrastructure existed at either location. Despite this, the Headmasters of both schools reported significant MDM expenditures totaling ₹3.05 lakh with 55.94 quintals of rice for 248 students during 2018-23, without adequate supporting records such as cash books or MDM registers. Due to the absence of basic infrastructure, Audit could not verify the authenticity of MDM operations or the actual delivery of meals at either school and there was a high risk that expenditure of ₹3.05 lakh, and consumption of 55.94 quintals of rice during 2018-23, was misappropriated by the concerned teachers by using false and fabricated information. This indicated poor monitoring mechanism on the part of the supervisory authorities.

(Paragraph 3.4)

Poor mechanism for Monitoring and Inspection to oversee the implementation of the Mid-day Meal scheme were noticed at all levels of Implementing Agencies. Consequently, shortcomings limiting the effective implementation of the scheme had been persisting as observed during the course of audit, thereby depriving children from getting the intended benefit.

(Paragraph 3.6.1)

Recommendations

The Government may:

1. *Prepare the AIPs on a realistic basis to cover all beneficiaries and ensure 100 per cent utilisation of funds allotted for each year for the Integrated Child Development Services scheme. Further, take effective steps for timely submission of UCs to GoI.*
2. *Evolve a mechanism to realistically assess the requirement of foodgrains and ensure that:*
 - *allocated rice and wheat is lifted and efficiently delivered to the AWCs and SHGs after proper weighment in the presence of the Jannch Committee/ Mothers Committee and to recover the actual cost of foodgrains short delivered by the TA.*
 - *periodical physical verification by the DSWOs/CDPOs of stock of rice and wheat of AWCs and SHGs is conducted.*
3. *Take effective steps to provide separate kitchen, toilet, safe drinking water facilities and electrification in all AWCs before handing over for use.*
4. *Ensure timely completion of all the incomplete AWCs taken up under CSR, MGNREGS and DMF funds.*
5. *Take immediate steps for constitution of District Level Monitoring and Review Committee, Block Level Monitoring Committee and*

Anganwadi Level Monitoring and Support Committee at block/project level and Anganwadi level respectively to effectively monitor the implementation of POSHAN.

- 6. Review unspent balances available with the IAs, at the end of each financial year, and take effective steps to refund the unspent amount and interest earned on MDM funds to the State Nodal Account.*
- 7. Develop a mechanism to assess demand for funds and foodgrains realistically, by adopting a bottom-up approach for planning.*
- 8. Ensure regular monitoring of foodgrains delivered by the transport agents with proper weighment, as per the terms and conditions of the transport contracts.*
- 9. Develop a robust information system to detect misreporting of inflated MDM consumption as compared to the actual attendance of students.*
- 10. Fix responsibility for misreporting of MDM consumption and misappropriation of MDM funds and foodgrains.*
- 11. Ensure the availability of basic infrastructure facilities and proper hygiene measures in schools across the State as stipulated in the guidelines.*