

CHAPTER III

PM POSHAN – Mid-Day Meal Scheme (MDM)

Chapter provides an overview of the Mid-Day Meal (MDM) scheme that aims to nurture health, wellness and immunity of children through proper nutrition and health education. Audit observations on funds management and planning; disproportionate fund utilisation under Management, Monitoring and Evaluation (MME); non-achievement of MDM targets; non-maintenance of buffer stock of foodgrains; non-delivery of lifted rice by the transport agencies; non-distribution of first phase dry ration during Covid-19; non-distribution of Food Security Allowance (FSA); irregularities in transfer of MDM funds and maintenance of rice stock; capacity building of Cook-cum-Helper; lack of infrastructure and equipment in schools; rights and entitlements of children; misappropriation of MDM; poor monitoring; etc. have been discussed in this chapter.

3. Fund management and planning

The Mid-day Meal (MDM) also known as PM POSHAN⁸⁰ scheme is a flagship programme of GoI with 100 *per cent* financial assistance for three components *viz.*, cost of foodgrains, transportation charges of foodgrains and Management, Monitoring and Evaluation (MME). With respect to the components of cooking cost and honorarium to Cook-cum-Helpers (CCHs), the cost is shared between GoI and State Government in the ratio of 60:40. Funds for the foodgrains and cooking cost were routed through the School and Mass Education Department, Government of Odisha to the District Education Officer (DEO) of each district.

In order to provide MDM to eligible students of Primary Schools (PSs) and Upper Primary Schools (UPSs), GoO prepared Annual Works Plans and Budget (AWP&B) and submitted these to GoI. The Programme Approval Board⁸¹ (PAB) of MDM, after due consideration, accorded its approval to the AWP&B of the State. On the basis of approval of PAB, funds were released by GoI to the State Government to meet cost of foodgrains, cooking, transportation, honorarium to cook-cum-helper, construction of kitchen-cum-stores/ procurement of kitchen devices and expenses towards MME.

⁸⁰ Mid-day Meal Scheme was renamed as PM-POSHAN on 6 October 2021

⁸¹ Programme Approval Board is a body under the chairmanship of Secretary to Government of India, Ministry of Human Resource Development, Department of Elementary Education and Literacy for Mid-Day Meal Scheme to examine the Annual Work Plan of programme implementation of each State / UT before releasing Central assistance.

3.1 Demand, outlay, release and expenditure incurred on MDM

Scrutiny of records at the State Project Management Unit (SPMU), Bhubaneswar revealed the overall financial outlay of MDM Scheme in the State during 2018-23, as enumerated in **Table 3.1**:

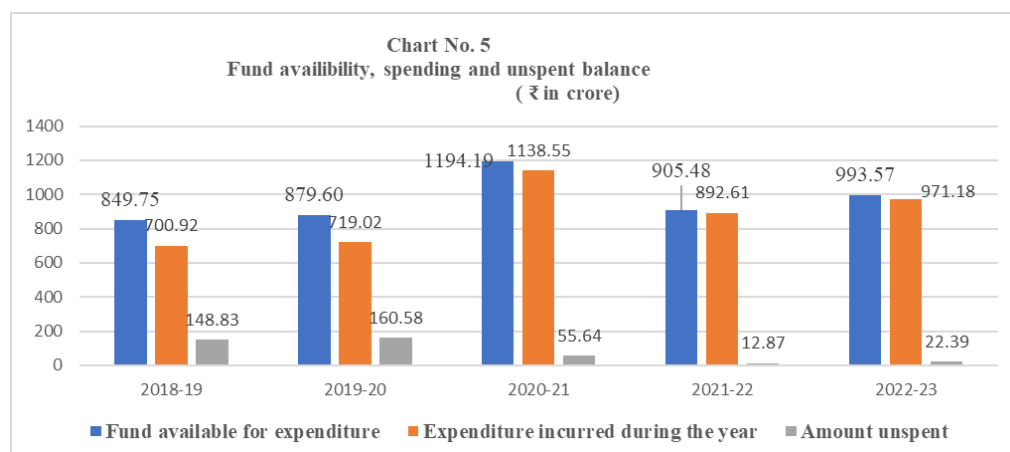
Table 3.1: Release and utilisation of funds during 2018-23

(₹ in crore)

Particulars	2018-19	2019-20	2020-21	2021-22	2022-23	Total
A	B	C	D	E	F	G
Opening balance	118.14	148.83	160.58	55.64	12.87	118.14
Demands as per AWP&B	861.22	1,085.78	1,077.53	1,062.74	998.53	5,085.80
Outlay approved by PAB (its percentage with respect to AWP&B)	712.65 (82.75)	891.27 (82.09)	1,194.64 (110.87)	904.64 (85.12)	906.96 (90.83)	4,610.16 (90.65)
Budget provision (Revised Estimate) (its percentage with respect to PAB)	934.22 (131.09)	915.82 (102.75)	1,194.64 (100.00)	1,049.68 (116.03)	957.00 (105.52)	5,051.36 (109.57)
Receipt of funds from GoI and GoO with respect to Budget Provision	731.61 (78.31)	730.77 (79.79)	1,033.61 (86.52)	849.84 (80.96)	980.70 (102.48)	4,326.47 (85.65)
Release to the downstream offices with respect to budget provisions	740.96 (79.31)	713.52 (77.91)	1,050.59 (87.94)	905.85 (86.30)	974.03 (101.78)	4,384.95 (86.81)
Total funds available	849.75	879.60	1,194.19	905.48	993.57	4,444.67
Expenditure incurred and its percentage with respect to fund available	700.92 (82.49)	719.02 (81.74)	1,138.55 (95.34)	892.61 (98.58)	971.18 (97.75)	4,422.28 (99.50)
Closing balance	148.83	160.58	55.64	12.87	22.39	22.39

(Source: Information provided by SPMU)

From the **Table 3.1** above, it was noticed that the Department could only utilise 82.49 per cent and 81.74 per cent of funds available during FY 2018-19 and FY 2019-20 respectively. During the year FY 2020-21 to FY 2022-23, even though expenditure with respect to funds available increased, there was still an unspent balance of ₹22.39 crore at the end of FY 2022-23. Central and State share wise details of receipt and expenditure in respect of MDM are exhibited in **Appendix-XIII**. The year-wise funds available, expenditure incurred and unspent balance available with SPMU are shown in **Chart 5**.



From the above **Chart 5**, it is evident that the unspent balances were relatively high during 2018-19 and 2019-20 with respect to released funds but reduced to ₹22.39 crore as of March 2023. However, scrutiny of records at six test

checked units⁸² revealed that the unspent balance was actually higher than the one projected in the records of SPMU which was indicative of under reporting by unit offices, as discussed in Paragraph 3.1.2.

3.1.1 Component-wise funds released and expenditure incurred

The component-wise receipts and expenditure of Central and State share, for implementation of MDM scheme was as shown in Table 3.2.

Table 3.2: Component-wise funds released and expenditure incurred during 2018-23

(₹ in crore)

Sl. No.	Major Components of MDM Scheme	Unspent balance as on 31 March 2018		Central Share received during 2018-23	State share released by GoO during 2018-23	Total	GoI/State Share-wise expenditure incurred during 2018-23		Total Expenditure during 2018-23	Unspent balance as on 31 March 2023	
		Central Share	State Share				Central Share	State Share		Central Share	State Share
A	B	C	D	E	F	G	H	I	J	K	L
1	Cost of food grains	1.37	0.00	182.77	0.00	184.14	188.78	0.00	188.78	-4.64	0.00
2	Cooking cost	48.07	39.56	1,752.41	1,432.38	3,272.42	1,785.13	1,461.69	3,246.82	15.35	10.25
3	Honorarium to CCH	15.34	10.80	323.72	431.63	781.49	337.47	447.89	785.36	1.59	-5.46
4	Transportation Cost	1.74	0.00	60.73	0.00	62.47	57.20	0.00	57.20	5.27	0.00
5	MME	0.03	1.23	63.99	1.16	66.41	64.17	2.25	66.42	-0.15	0.14
6	Kitchen devices	0	0	44.37	29.58	73.95	44.37	29.58	73.95	0	0
7	LPG Connection	0	0.06	0	3.73	3.79	0	3.73	3.73	0	0.06
Total		66.55	51.65	2,427.99	1,898.48	4,444.67	2,477.12	1,945.14	4,422.26	17.40	4.99

(Source: Information provided by SPMU)

(i) **Cost of Food grains:** As per MDM guidelines, GoI provides 100 per cent central assistance to the States towards cost of foodgrains. Based on the approval of PAB, GoI released ₹182.77 crore to Odisha, against an outlay⁸³ of ₹193.93 crore resulting in short receipt of funds to the tune of ₹11.16 crore during 2018-23. Further, it can be seen from the above Table 3.2 that against this release of ₹182.77 crore, an amount, ₹188.78 crore was spent by the State, leading to a deficit of ₹4.64 crore (as on 31 March 2023). However, the source of funding of such deficit by the State was not available on records.

(ii) **Cooking cost:** Under this component, Central and State Governments shared the expenditure in the ratio of 60:40. The total approved outlay of the State under this component was ₹3,129.37 crore during 2018-23 of which ₹1,877.56 crore and ₹1,251.81 crore was to be provided by GoI and GoO respectively. However, GoI released ₹1,800.48 crore including Opening Balance (OB) of ₹48.07 crore during 2018-23 against its share of ₹1,877.56 crore. Comparatively, against its share of ₹1,251.82 crore, the State released a

⁸² District Education Officers (DEOs) at Balangir, Jharsuguda, Mayurbhanj, Rayagada, Ganjam and Puri

⁸³ Cost of different components of MDM for the years 2018-23, as approved by the Programme Approval Board.

higher share of ₹1,471.94 crore, including OB of ₹39.56 crore. Thus, while GoI did not contribute its committed share of expenditure under this component, GoO contributed more funds for the scheme.

(iii) Honorarium to Cook-cum-Helper: The PAB approved a rate of ₹1,000 per month as Honorarium payable to Cook-cum-Helper, for cooking of meals under the MDM scheme. This cost was to be shared in the ratio of 60:40 between GoI and GoO. Any payment towards honorarium in excess of the approved rates was to be borne by the State Government. It was noted that GoO made payment of honorarium to Cooks cum Helpers at the rate of ₹1,400 per month, out of which 60 *per cent* of ₹1,000 was to be contributed by GoI. Based on the approved rate of honorarium, total outlay of ₹660.74 crore was approved by the PAB with share of ₹396.44 crore and ₹264.30 crore by GoI and GoO, respectively. However, against its share of ₹396.44 crore, GoI contributed only ₹339.06 crore (including OB of ₹15.34 crore) during 2018-23. On account of short receipt of central share and payment at higher rate, State Government was compelled to contribute more funds under this component and the total contribution of GoO was ₹442.43 crore (including OB of ₹10.80 crore) against the planned contribution of ₹264.30 crore. As compared to the total receipt of ₹781.49 crore, expenditure in this regard was ₹785.36 crore during the same period. The Department replied (14 May 2025) that, the funds from GoI were not received in a timely manner. As such during the period, the funding was made out of advance from the State Government as MDM being a feeding programme cannot be stopped.

3.1.2 Non remittance of unspent amount of ₹ 92.14 crore to the State Nodal Agency

With the objective of ensuring effective cash management under Centrally Sponsored Schemes (CSS) and to improve transparency in public expenditure, instructions⁸⁴ were issued (23 March 2021) vide Office Memorandum by the Department of Expenditure (DoE), Ministry of Finance (MoF), GoI. As per points 13 and 14 of the instructions, ‘after opening of Single Nodal Account (SNA) of the scheme and before opening zero balance subsidiary account of Implementing Agencies (IAs) or assigning them drawing rights from the SNA’s account, the IAs at all levels shall return all unspent amounts lying in their accounts to the SNA Account’. It was the responsibility of the State Government concerned to ensure that the entire unspent amount was returned by all the IAs to the Single Nodal Account of the SNA concerned. Concerned SNAs were to keep a record of unspent amounts lying in the accounts of IAs to be deposited in the SNA while assigning drawing rights to IAs.

Accordingly, State Nodal Officer (SNO) MDM, instructed (16 November 2021) all the DEOs (IAs) to close existing MDM accounts at the district, block and school levels. All unspent balances of MDM accounts at school, Block Project Management Unit (BPMU) and District Project Management Unit

⁸⁴ MoF, GoI notification No. 1(13) PFMS/FCD/2020 dated 23.3.2021 on “Procedure for release of funder under the Centrally Sponsored Schemes and Monitoring utilisation of the funds released”.

(DPMU) levels were to be transferred to the SNA of the State Nodal Agency. These activities were to be completed by the end of November 2021.

Scrutiny of Cashbooks, bank statements and records related to MDM funds of six selected districts⁸⁵ (DPMUs) revealed that the DPMUs had maintained multiple accounts such as Single Nodal Account in Punjab National Bank (PNB), Saving Bank Account in PNB and Flexi Account in the Industrial Development Bank of India (IDBI). Though the Single Nodal Accounts of the DPMUs in PNB were still functioning after November 2021, IAs under the DPMUs had not transferred the unspent amount to these accounts and kept the old unspent balances of MDM in other accounts. Consequently, none of the test checked DPMUs had remitted the unspent balances of the scheme funds to the SNA of the State Nodal Agency (February 2024). Details of the unspent amount of ₹92.14 crore that was lying unremitted as of March 2023 in the MDM bank pass books of concerned DPMUs are shown in *Appendix-XIV*.

Thus, the objective of ensuring effective cash management under Centrally Sponsored Schemes and the aim of improving transparency in public expenditure management could not be achieved. SNA itself was unaware of the unspent amount lying in the accounts of IAs at field level.

In reply, the Department stated (14 May 2025) that, four DEOs (Balangir, Jharsuguda, Mayurbhanj and Rayagada) have remitted the unspent balance. However, the other two DEOs (Ganjam ₹17.69 crore and Puri ₹8.37 crore) were yet to remit ₹26.06 crore.

3.1.3 Non-remittance of interest of ₹ 3.52 crore

As per Office Memorandum (15 July 2022) of DoE, Ministry of Finance, the SNA of each CSS in the State shall compute in the first week of April, the total interest earned on the funds received in its account (both from the Central and State Government) in the preceding financial year. The interest earned shall be apportioned as per the approved funding pattern and shall be deposited in the State and Central Consolidated Funds respectively. Para 7 of the above memorandum stipulated that interest was to be deposited online through the Public Finance Management System (PFMS) from first September 2022 onwards.

Scrutiny of records at SPMU, Bhubaneswar revealed that during the year 2022-23 an amount of ₹9.18 crore was earned as interest in the SNA account maintained in PNB, Bhubaneswar. Out of the total interest earned, ₹ 3.40 crore towards Central Share and ₹2.26 crore as State Share was deposited in the respective Consolidated Funds in May 2023, leaving an amount of ₹3.52 crore unremitted till the date of audit. The Central Agency was not aware of this interest amount available with the SNA as, this amount was neither reflected in PFMS Portal nor was it reported to the Program Division of the Ministry/ Department by the SNA.

⁸⁵ (i) Balangir, (ii) Jharsuguda, (iii) Mayurbhanj, (iv) Rayagada, (v) Ganjam and (vi) Puri

The Government stated (14 May 2025) in reply that the interest amount of ₹3.52 crore had been remitted on 21 August 2024 in the respective head of accounts of the government. However, the action was taken at the instance of audit and only in this one case pointed out during the test check by Audit.

3.1.4 Disproportionate utilisation of funds under MME

As per revised MDM Guidelines for Management, Monitoring and Evaluation Component (MME) (June 2010), 50 *per cent* of MME funds shall be utilised at other than school level, towards items⁸⁶ at various levels for Management, Monitoring and Evaluation of the Scheme, depending upon the need of the State/ UT. Remaining 50 *per cent* of MME funds were earmarked for expenditure on different components⁸⁷ at the school level.

Scrutiny of records of SNA related to allocation and expenditure made against MME funds, revealed that out of funds of ₹66.41 crore available for MME during the period 2018-23, only ₹28.97 crore (44 *per cent*) was spent at the school level, against the allocated amount of ₹33.21 crore (50 *per cent*).

Further, scrutiny of records in six selected DEOs revealed that the MME funds at the school level were not allocated and spent fully, as required under the guidelines. District wise details of funds available for expenditure out of MME funds are depicted in **Table 3.3**.

Table 3.3: Details of MME funds available for expenditure and spending with percentage at School level, Block and District level

(₹ in lakh)

Districts	Funds available under MME	School level expenditure out of 50% share of available MME funds		Block & District level expenditure out of 50% share of available MME funds		Amount unspent	Percentage
		Amount spent	Percentage	Amount spent	Percentage		
A	B	C	D	E	F	G	H
Balangir	227.80	54.94	24.12	143.66	63.06	29.20	12.82
Jharsuguda	90.63	20.78	22.93	62.90	69.40	6.95	7.67
Mayurbhanj	617.66	163.09	26.40	256.43	41.52	198.14	32.08
Rayagada	232.86	63.33	27.20	104.43	44.85	65.10	27.96
Ganjam	510.58	64.58	12.65	197.44	38.67	248.56	48.68
Puri	198.42	64.03	32.27	13.12	6.61	121.27	61.12
Total	1877.95	430.75	22.94	777.98	41.43	669.22	35.64

(Source: Information furnished by the test checked districts)

It can be observed from the Table above that as against the stipulated 50 *per cent*, the expenditure out of MME funds at school level ranged from 12.65 to 32.27 *per cent*, whereas the expenditure at Block and District levels ranged from 6.61 to 69.40 *per cent*. In none of the six test checked districts, the

⁸⁶ Hiring charges of manpower, transport and contingencies, office expenditure, furniture, computer hardware and consumables, external monitoring and evaluation, publicity *etc.*

⁸⁷ Forms, stationary, soaps, plates, glasses, mats, training of cooks-cum-helpers, *etc.*

school level expenditure against the funds earmarked for MME could be achieved. At Block and District levels, the expenditure on MME was in excess of the 50 per cent mark in Balangir and Jharsuguda while it was less in the remaining four districts during the FY 2018-23. Out of the available funds under MME, 35.64 per cent of funds remained unutilised. This indicated disproportionate expenditure of funds allocated under MME. Further, the unspent balance under MME ranged from 7.67 per cent (Jharsuguda) to 61.12 per cent (Puri), such non-utilisation of available funds indicated that MME work was not done properly.

Accepting the facts the Government replied (14 May 2025) that henceforth all the districts shall be instructed for optimum utilisation of MME fund. The same shall be monitored periodically.

3.1.5 Non-deduction of Tax at Source and non-deposit into Government account

Section 51 of the Goods and Services Tax (GST) Act, 2017, stipulated tax deduction at source (TDS) by the Government Departments or establishments or Local Authorities or Government agencies, at the rate of one per cent under CGST Act and one per cent under OGST Act from the payment made to the supplier of taxable services, where the total value of such supply, exceeds two lakh and fifty thousand rupees. Section 194C (1) of the Income Tax (IT) Act, 1961, stipulated the deduction of TDS at the rate of one per cent and two per cent from the amount paid to the individual and other than individual respectively, where such amount exceeds thirty thousand rupees. The rate of TDS reduced by 25 per cent between 14 May 2020 to 31 March 2021, due to COVID-19 pandemic period. Moreover, as per Rule 30 of the Income Tax Rules, 1962, the time limit for deposit of the deducted tax is within seven days from the end of the month in which the deduction was made.

Audit noticed that in two⁸⁸ out of six selected DEOs, total payment of ₹2.58 crore was made to three⁸⁹ manpower service providers towards deployment of Data Entry Operators (DEOs), but TDS towards GST amounting to ₹5.15 lakh was not deducted as detailed in *Appendix-XV*.

It was also revealed that in two⁹⁰ out of six selected DEOs, total payment of ₹2.60 crore was made to two⁹¹ manpower service providers for supply of DEOs, but TDS towards Income Tax amounting to ₹5.16 lakh was not deducted as detailed in *Appendix-XVI*.

Further, in the case of DEO, Mayurbhanj, it was revealed that, an amount of ₹3.85 crore was paid to one transport contractor towards transportation charges of rice during the period from 2018-19 to 2022-23 from the Odisha State Civil Supply Corporation (OSCSC) Ltd. godown to school point. As per

⁸⁸ Ganjam and Balangir

⁸⁹ (i) M/s. Bhumishree Consultancy & Marketing (P) Ltd., (ii) M/s. L&K services, Bhubaneswar and (iii) M/s. Care Security & Allied Services, Bhubaneswar

⁹⁰ Jharsuguda and Mayurbhanj

⁹¹ M/s Care Security & Allied Services and M/s. Omega Data Processors, Baripada

provision, TDS towards IT (amounting to ₹3.85 lakh) was deducted at the rate of one *per cent*, but it was not deposited into the Government account till May 2025.

The Government replied (04 March 2025) that two DEOs (Mayurbhanj and Jharsuguda) obtained the Income Tax Return (ITR) of five years in respect of IT TDS from the concerned service providers. The reply is silent on other two observations. Obtaining ITRs of the service provider cannot be a substitute action of deducting TDS under the Income Tax Act, hence, the reply of the Government was not relevant to the audit point.

3.1.6 Annual Work Plan and Budget

As per para 5.1 of MDM scheme guidelines (September 2006), Annual Work Plan & Budget (AWP&B) should be prepared by the State, based on information maintained at school level and aggregated at Block, District and State level. It envisages a bottom-up approach rather than a top-down approach to planning. It was necessary to have a documentation of the plans preparation process to ensure that they have been prepared through a participatory planning process. As per the directions of GoI (12 December 2017), the AWP&B proposals needed to include information such as, management structure, fund flow system, supply chain management of foodgrains, kitchen garden, cost of foodgrains, honorarium to cook-cum-helpers and testing of meals, *etc.*

Scrutiny of records at SPMU, Bhubaneswar revealed that information in AWP&Bs of the State was compiled by the SNA, based on information received from the District Education Officers (DEOs). The DEOs had collected data through Quarterly Progress Reports (QPRs) submitted by BEOs. It was noticed that BEOs furnished data from the available QPR/ Management Information Statement (MIS) of schools for the preparation of AWP&B. However, as these QPRs and MISs did not have the information like types of kitchen, kitchen-cum-store, utensils required for cooking, kitchen garden, quality safety & hygiene arrangements, availability of Multi Tap Multi Cap⁹² *etc.*, required for preparation of annual budget outlays, the subsequent approval of AWP&B by the PAB was unrealistic, as discussed in the succeeding paragraph.

3.1.6.1 Non achievement of MDM targets approved by the Programme Approval Board (PAB)

The objective of the MDM is to serve one hot cooked meal to every student present on each school day so that they get adequate nutrition. The details regarding the number of children enrolled and their coverage under MDM in the State are given in **Table 3.4**:

⁹² Multi –tap console for hand washing

Table 3.4: Coverage of MDM against enrolment in the state during 2018-23

Year	Total enrolment	Target approved by PAB (<i>per cent</i>)	Total meals served	Number of days on which meal was served in a year		Average beneficiaries (<i>per cent</i> of enrolment) served meals
				Targeted days as per PAB	Actual days (<i>per cent</i>) served	
A	B	C	D	E	F	G
2018-19	48,41,657	43,77,704 (90)	88,16,57,625	239	220 (92)	40,67,056 (84)
2019-20	46,41,593	43,77,704 (94)	86,99,03,986	239	223 (93)	39,57,944 (85)
2020-21	45,13,758	45,13,758 (100)	1,25,25,05,116	285	285 (100)	43,94,755 (97)
2021-22	44,64,441	44,28,963 (100)	1,05,04,40,303	237	237 (100)	44,18,542 (100)
2022-23	45,50,584	44,18,542 (97)	1,09,40,85,788	266	261 (98)	42,14,463 (93)

(Source: Information provided by SPMU)

From **Table 3.4**, it is evident that the target approved by PAB 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. Audit noticed that the actual days when meals were served were less by five to 19 days against the targeted days approved by the PAB. Only during the Covid-19 pandemic period, PAB approved targets were fully achieved, as all students were provided with Food Security Allowances⁹³ (FSA).

3.2 Implementation of MDM scheme

Adequate provisions to ensure desired quality of foodgrains, efficient transportation and delivery mechanism, quality assurance, safety and hygiene of cooked meals, availability of essential infrastructure and a sound institutional framework were essential for effective implementation of the MDM scheme. Audit observed that there were deficiencies in each of these areas which affected the scheme adversely in terms of supply of quality meals to school children, as discussed in the subsequent paragraphs.

3.2.1 Non-maintenance of buffer stock of foodgrains

As per guidelines of the Mid-Day Meal, 2006, the State should ensure availability of at least one-month's buffer stock of foodgrains and cooking costs in each school to prevent disruption in providing mid-day meals to students. As per the information furnished by the SPMU, Bhubaneswar, the details of foodgrains issued to students during 2018-23, are enumerated in **Tables 3.5** and **3.6** below:

⁹³ If the Mid-Day Meal is not provided in school on any school day due to non-availability of foodgrains, cooking cost, fuel or absence of cook-cum-helper or any other reason, the State Government shall pay food security allowance as quantity of foodgrains and cooking cost prevailing in the State.

Table 3.5: Foodgrains issued to Primary School students under MDM

(in MTs)

Year	Food grain allocated	Opening balance	Food grain lifted	Total available	Total consumption ⁹⁴	Food grains required for one month	Closing balance
A	B	C	D	E	F	G	H
2018-19	56,691.23	8,724.53	54,289.82	63,014.35	53,997.39	5,399.73	9,016.96
2019-20	56,398.79	9,016.96	51,725.70	60,742.66	53,504.60	5,350.46	7,238.06
2020-21	71,677.86	7,238.06	71,677.76	78,915.82	76,730.47	7,673.04	2,185.35
2021-22	61,989.20	2,185.35	61,989.26	64,174.61	64,337.99	6,433.79	-163.37
2022-23	71,970.77	-163.37	71,633.99	71,470.62	66,678.72	6,667.87	4,791.90
Total	3,18,727.85		3,11,316.53		3,15,249.17		

(Source: Information furnished by the State Nodal Agency)

Table 3.6: Foodgrains issued to Upper Primary School students under MDM

(in MTs)

Year	Food grain allocated	Opening balance	Food grain lifted	Total lifted	Total consumption ⁹⁵	Food grains required for one month ⁹⁶	Closing balance
A	B	C	D	E	F	G	H
2018-19	56,851.27	1,965.79	53,630.74	55,596.53	51,252.56	5,125.25	4,343.97
2019-20	54,473.08	4,343.97	49,004.96	53,348.93	50,228.70	5,022.87	3,120.23
2020-21	72,093.46	3,120.23	72,043.10	75,163.33	72,780.07	7,278.00	2,383.26
2021-22	58,804.52	2,383.26	58,804.46	61,187.72	61,059.06	6,105.90	128.66
2022-23	68,215.03	128.66	67,904.12	68,032.78	64,094.80	6,409.48	3,937.98
Total	3,10,437.36		3,01,387.38		2,99,415.19		

(Source: Information furnished by the State Nodal Agency)

The above Tables reveal that for primary schools, sufficient buffer stock was not maintained during FY 2020-21 to 2022-23, with one year closing with a negative balance⁹⁷. Similarly, for the upper primary schools, foodgrain availability was less than the required buffer stock for one month during FY 2018-23. Audit noticed that during the period 2018-19 to 2022-23, the full allocated quantity of foodgrains was not lifted and due to this short lifting, buffer stock was not maintained at school level as required under MDM guidelines.

In reply, the Department noted (14 May 2025) the fact for future guidance.

3.2.2 Non-delivery of lifted rice by the transport agents

As per Clause-5 and 6 of the Terms and Conditions of the Contract Agreement for transportation of rice, after lifting the same from OSCSC Ltd., the rice was to be delivered at school points/ central kitchen directly, without any transit

⁹⁴ Consumption during 10 months

⁹⁵ Consumption during 10 months

⁹⁶ Monthly requirement calculated on the basis of consumption during the 10 working months of schools.

⁹⁷ The department / records did not provide any information about the means by which the shortage of the 163.37 MT of foodgrains was met during the year 2021-22.

point. After delivering the rice at school points, the date-wise quantity of rice delivered had to be intimated by the transport agent to BEO.

Scrutiny of records at the six selected DEOs and respective BEOs, revealed that in two DEOs, there were irregularities in the supply of rice by the transport agents as detailed below:

(i) BEO, Gop under DEO Puri: The transport agent lifted 10,616 quintals including OB of 406.50 quintals of rice from the OSCSC against the allotment of 10,616 quintal rice under MDM during April 2018 to March 2023. However, as per the stock register of rice maintained by BEO, Gop the transport agent delivered only 10,217 quintals of rice at school points under the block, leaving undelivered balances at the end of each quarter. The undelivered rice to the schools at the end of every quarter ranged between 4.5 to 390 quintals during the years 2018-2023. The stock register of rice showed that at the end of the second quarter of 2023-24, the closing balance of 708.49 quintals of rice was lifted but non-delivered. It was noted that the BEO was following a system of opening and closing balances for accounting of rice which was incorrect as there is no provision in place for stock being retained by the transport agent. Further, the location/ storage of the above mentioned undelivered rice of 708.49 quintals was also not available at the BEO level, due to which risk of pilferage of rice of the said quantity cannot be ruled out.

Audit observation about scope of pilferage was corroborated by the fact that a closing balance of 8.5 quintals of rice at the end of 2nd quarter of 2019-20 was not carried forward in the rice register to the next quarter.

(ii) DEO, Jharsuguda: Against the six release orders issued by DEO Jharsuguda during the period from 2018-19 to 2020-21 for lifting 10,015.75 quintals of rice worth ₹30.05 lakh from OSCSC Ltd., the transport agent lifted only 7,791.53 quintals of rice leaving a balance of 2,224.22 quintals. A scrutiny of the release orders issued by DEO to the transport agent revealed that every release order contained the last date by when the specified quantity had to be lifted. However, the DEO did not take timely action either to get the quantity lifted and delivered to the school point, or to take up the matter with OSCSC Ltd. in case of non-lifting of rice by the due date. Audit observed that the remaining quantity of 2,224.22 quintals of rice was neither lifted nor was the cost thereof amounting to ₹6.67 lakh⁹⁸ recovered / adjusted from OSCSC Ltd. till the date of Audit *i.e.*, September 2023.

Accepting the fact, the Department replied (14 May 2025) that DEO, Jharsuguda has requested the DM, OSCSC, Jharsuguda for refund of fund, and it was decided to call for an explanation from BEO, Gop.

However, on the basis of audit analysis it can be concluded that the DEOs had not taken appropriate action to recover the excess quantity of rice and amount outstanding therein (May 2025).

⁹⁸ Calculated at the rate of ₹300 per quintal at which the payment to OSCSC Limited was made.

3.2.3 Non-distribution of first phase of dry ration during Covid-19 pandemic period

To ensure that school children get proper nourishment during the Covid-19 pandemic period, GoO decided (19 March 2020) to distribute MDM as dry ration in all Government and aided schools of School & Mass Education (S&ME) Department. It was also decided that each primary student (Class I-V) will be given a dry ration of 3 kg rice per month and each upper primary student (Class VI-VIII) would be provided with 4.5 kg rice per month, towards first phase of Covid for a period of three months (16 March 2020 to 13 June 2020 for 90 days). The Food and Civil Supplies Department had to make arrangements to provide this rice at Fair Price Shop (FPS)/ Public Distribution System (PDS) outlets. The DEOs had to submit Block/ ULB-wise, FPS-wise, School-wise, rice allocation quantity statements to the CSO-cum-DM, OSCSC Ltd. of the concerned districts. Parents/ guardians of the students were required to produce coupons issued by the headmasters of the tagged schools at the tagged FPS and collect the dry ration.

Information received and scrutiny of records at four out of six test checked District Education Offices revealed that 4,314.14 quintals of rice remained undisbursed by the FPS/PDS dealers and was lying with them even after a lapse of three years from the date of issue of the dry ration. The details of rice lifted by the dealers, disbursement of rice to the students and balance rice lying with the dealers are given in the **Table 3.7:**

Table 3.7: Distribution of dry ration for the first phase of Covid-19 (March-June 2020) at FPS/ PDS

(Quantity in quintals)

Sl. No.	Name of the DEO	Quantity of rice lifted by the FPS/ PDS dealers	Quantity of rice disbursed to eligible students	Balance of rice lying with the FPS/ PDS dealers
1	Mayurbhanj	29,325.87	27,552.70	1,773.17
2	Rayagada	10,363.32	9,051.62	1,311.70
3	Ganjam	35,708.33	34,565.12	1,143.21
4	Puri	15,205.47	15,119.41	86.06
Total		90,602.99	86,288.85	4,314.14

(Source: Compiled from the data provided by the DEOs)

From the above **Table 3.7**, it is noticed that FPS/ PDS dealers lifted 90,602.99 quintals of rice as per quantity indented by the respective DEOs. However, the amount of rice disbursed by the dealers to eligible students was only 86,288.85 quintals. As a result, balance rice of 4,314.14 quintals remained undisbursed and was lying with different retailers of the districts. Reasons for non-disbursement of rice were not on record. In this regard, the Commissioner-cum-Secretary, Food Supplies and Consumer Welfare Department, GoO, informed (December 2020) all Chief Civil Supply Officer/ Civil Supply Officers that the DEOs were given flexibility by S&ME Department to lift the undisbursed rice through their own engaged contractors and distribute the same in schools. However, no such steps were taken by the DEOs to utilise the undistributed rice available at PFS/ PDS.

In their reply, the Department stated (14 May 2025) that present position of non-lifted 4,314.14 quintals of rice from PDS dealers / FPS shall be ascertained from the districts and corrective actions shall be taken in the matter. However, the action is yet to be initiated.

3.2.4 Non-distribution of Food Security Allowance (FSA)

Rule 9 of the MDM Rules, 2015 stipulates that, if the MDM is not provided on any school day due to non-availability of food grains, cooking cost, fuel or absence of cook-cum helper or any other reason, the State Government shall pay FSA to every eligible child by 15th of the succeeding month. It has also been provided that if MDM is not provided in school, on school days continuously for three days or at least for five days in a month, responsibility should be fixed in accordance with laid down procedure. Moreover, as per the instructions of the GoO (03 June 2020 and 01 December 2022) rice as well as cooking cost during the period from 16 March 2020 to 31 March 2022, i.e., 538 days pertaining to the Covid-19 pandemic period, needed to be given as FSA to all eligible children.

During audit of six selected DEOs, the deficiencies related to distribution of FSA were noticed, as discussed in the subsequent paragraphs.

3.2.4.1 Non-distribution of FSA during Covid-19 pandemic to the students

Out of 642 schools of five districts⁹⁹, in 88 schools, FSA was not given to students in a phased manner during the period March 2020 to March 2022. It was noticed that dry rice was not distributed in 68 schools for a period ranging between 11 to 448 days (out of total 538 days). Further, in 49 schools cooking cost was not disbursed for 11 to 538 days. Consequently, 2,047.68 quintals of dry rice and cooking cost of ₹1.34 crore was not distributed to eligible students as detailed in *Appendix-XVII*.

In reply, the Government stated (14 May 2025) that out of five districts two districts namely Jharsuguda and Balangir have submitted the compliance and the matter will be followed up in respect of the other three districts. However, the reply did not address the audit point that the required timely action was not taken to distribute the FSA during pandemic period, preventing students from getting the benefits under the MDM.

3.2.4.2 Non-disbursement of FSA to students of schools specified as examination centre

Scrutiny of records in six selected DEOs revealed that High School Certificate (HSC) examinations, Summative Assessment I and II were conducted for six to nine school days in maximum 146 number of notified examination centres. However, neither MDM nor FSA was supplied to the enrolled beneficiaries (59,125 primary and 2,08,312 upper primary students) of these Centres during examination days for the period between 2018-19 to 2022-23. As such, the

⁹⁹ Balangir, Jharsuguda, Mayurbhanj, Rayagada and Ganjam

students were deprived of 3,479.62 quintals of rice and ₹1.87 crore as cooking cost towards FSA, as detailed in the *Appendix-XVIII*.

Accepting the fact, the Government assured (14 May 2025) that this matter will be examined and necessary instructions will be issued to the districts for strict adherence.

However, it is clear that students could not get FSA in lieu of MDM for the aforementioned periods of need, in violation to MDM Rules 2015.

3.2.4.3 Non-disbursement of MDM/FSA during teachers' strike in Block Grant Schools

Scrutiny of the records in selected DEOs revealed that under five DEOs, Block Grant School teachers¹⁰⁰ participated in a strike during the period 06 September 2018 to 23 September 2018 (*i.e.*, for 10 to 15 school days). Consequently, MDM/ FSA was not provided for the said period to 1,854 students in 41 UPS as enumerated in **Table 3.8**:

Table 3.8: Dry ration for meals and cooking cost not served during strike days

Sl. No.	District	Schools involved	School days	Total Enrolment	Total number of MDM was to be served	Dry ration was to be served (in Kg.)	Cooking Cost required to serve at the rate of ₹ 6.83 (in ₹)
A	B	C	D	E	F (D x E)	G (F x 0.15)	G (F x ₹ 6.83)
1	Balangir	12	15	519	7,785	1,167.75	53,171.55
2	Jharsuguda	4	10	116	1,160	174.00	7,922.80
		13	11	643	7,073	1,060.95	48,308.59
3	Mayurbhanj	6	11	313	3,443	516.45	23,515.69
4	Rayagada	1	14	62	868	130.20	5,928.44
5	Ganjam	2	12	96	1,152	172.80	7,868.16
		3	13	105	1,365	204.75	9,322.95
	Total	41		1,854	22,846	3,426.90	1,56,038.18

(Source: Compiled from information provided by DEOs)

It is evident from **Table 3.8** that dry ration of 34.27 quintals of rice and cooking cost of ₹1.56 lakh had not been served as FSA to 1,854 numbers of eligible students during the strike periods of teachers.

In reply, the Government stated (14 May 2025) that if the schools remain closed on account of strike and the students are not attending their classes during such closed working days, the students are not entitled to receive FSA for such days. The reply is not tenable as no such provisions existed in the relevant rules. Further, the SNO (MDM) had circulated (December 2018) to all DEOs that if the children were coming to school and staying for the study during study hours then they are entitled to FSA. In the instant case, schools were not closed though the teachers did not attend schools to participate in the strike. Hence, FSA should have been given to the eligible students as per MDM Rules 2015.

¹⁰⁰ 'Block Grant Schools' are the non-government aided schools which get grants-in-aid in the form of Block Grant from the Government of Odisha under GIA orders issued by state government from time to time.

3.2.4.4 Non- serving of MDM/ FSA on Observance Days

As per the instructions issued (16 April 2015) by the S&ME Department, MDM was to be cooked on Observance Days¹⁰¹ and served to children after the observance is over.

Scrutiny of records of 12 selected BEOs and six DEOs revealed that, in 416 schools of six BEOs comprising 1,51,654 MDMs for students (PS-87,969 and UPS-63,685), MDMs were not served on different National/ State observance days during FY 2018-20 and 2022-23, except in FY 2020-22¹⁰² as detailed in *Appendix-XIX*.

The Government replied (14 May 2025) that during observance days, especially relating to different pujas being celebrated in schools, students spend considerably less time in school and depart early during the said days. The reply is not tenable and contrary to the instructions issued (16 April 2015) by the S&ME Department.

3.2.5 MDM consumption shown in excess of actual attendance

The roles and responsibilities of functionaries in the management of MDM were communicated by the S&ME Department (October 2016) to all implementing agencies of the State. As per the above order, the Headmaster (HM) was to ensure collection and submission of Monthly Progress Report (MPR), every month in the prescribed format, to the BEO through the Cluster Resource Centre Coordinator (CRCC)¹⁰³. The HM was also to supervise the provision of MDM services and ensure their effective implementation. The BEO was to visit 10 schools on a monthly basis to check coverage of schools / students under MDM. Moreover, the DEO was also to visit five schools on a monthly basis for smooth functioning of MDM.

Scrutiny of attendance register and Daily Consumption Registers¹⁰⁴ (DCR) of 642 schools in the test checked DEOs in five districts¹⁰⁵, for the FY 2018-19, 2019-20 and 2022-23 (leaving the Covid-19 period), revealed that, the DCRs in 42 schools showed a higher number of students that were served MDM as compared to the number of students that actually attended schools, as per the attendance registers. In these 42 schools, 82,270 MDMs for primary students and 1,36,546 MDMs for upper primary students were shown in DCRs in excess of the actual number of students, as per the attendance registers. Irregular excess attendance shown in the DCRs had resulted in inflated MDM consumption of 287.09 quintals of rice valued at ₹9.12 lakh and cooking cost of ₹14.33 lakh as detailed in *Appendix-XX*. The matter needs to be

¹⁰¹ Certain observance days like Saraswati Puja, Netaji Jayanti, Republic Day, Independence Day, Utkal Divas, Teachers Day, Ganesh Puja, Gandhi Jayanti and Children's Day

¹⁰² Due to outbreak of Covid-19, there was no physical attendance and Government had distributed the FSA. Accordingly, this period has been excluded.

¹⁰³ CRCC was the MDM Cluster Nodal officer to ensure collection of MPR from the school point and submit to the concerned BEO by 5th of every month.

¹⁰⁴ Dailly Consumption Register is a register wherein number of students attended and expenditure booked on daily basis is recorded.

¹⁰⁵ Balangir, Jharsuguda, Mayurbhanj, Rayagada and Ganjam

investigated in detail by the State Government and action taken to fix responsibility for any misappropriation of foodgrains.

In reply, the Government stated (14 May 2025) that online attendance of students and teachers are under the pipeline. The Department further assured to put in place an improved monitoring system in the ensuing days.

However, the audit observation is based upon the attendance recorded in the manual registers, which indicated less students attended the school as compared to the number of MDMs served, hence, the matter is not under recording of attendance but overstatement of consumption of MDMs. This situation could have been prevented with proper monitoring.

3.2.6 Irregularities in transfer of MDM funds and maintenance of rice stock

Rule 8 of the Food Security Allowance Rules, 2015, stipulated that, the State Government shall ensure payment of FSA to the entitled persons through bank accounts. If any entitled person has not opened a bank account, the initial payment of food security allowance to such a person shall be made by cash. However, the nodal officer shall ensure that a bank account is opened by such person within one month from the date of initial payment. Further, the Manual for MDM Scheme, 2017 prescribed roles and responsibilities of functionaries at the school level, including the HM. As such, responsibilities of HM of a school included maintenance of records / details of quantity of foodgrains received and date of receipt against allocations and to ensure that foodgrains delivered conform with allocations actually made and acknowledge relevant documents after the delivery of foodgrains.

Scrutiny of records pertaining to Paikabasa Project Upper Primary school (PUPS) and Jagateswar Bhanjabharati Sanskrit Vidhyapitha, Kohi under the DEO, Mayurbhanj revealed irregularities in transfer of FSA and stock management of rice as detailed below:

- Paikabasa PUPS had released cooking costs to students as FSA in nine phases, during the Covid 19 pandemic period. However, FSA for an amount of ₹1,19,562 for 179 students (out of a total of 277) released in eight phases, was transferred to the personal account of the HM instead of the accounts of students/ parents. Proof of disbursement by the HM, of FSA to the eligible students were also not on record. As such, misutilisation of funds by the HM concerned cannot be ruled out.

It was also noticed that the school records related to rice stock were manipulated which resulted in misappropriation of 28.237 quintal of rice as detailed in **Table 3.9** as follows:

Table 3.9: Details related to misreporting of stock of rice

Sl. No.	Date	Rice stock not taken into account (in quintals)	Remarks
1	13.07.2018	1.506	On 13.07.2018 closing balance was wrongly depicted as 13.149 quintal instead of 14.655 quintal, resulting in reduction of rice stock by 1.506 quintal.

Sl. No.	Date	Rice stock not taken into account (in quintals)	Remarks
2	19.08.2022	17.526	17.526 quintals of rice received on 16.08.2022 was shown as distributed on 19.08.2022 without any disbursement records.
3	01.09.2022	9.205	As against a closing stock of 9.966 quintals of rice on 31.08.2022, 76.05 Kg was reflected as the available opening stock on the next working day (02.09.2022).
Total		28.237	

(Source: Compiled from the concerned school records)

Irregularities in the maintenance of the stock not only had a bearing on management of foodgrain, but also risk of pilferage of 28.24 quintals of rice could not be ruled out.

- In Jagateswar Bhanjabharati Sanskrit Vidhyapitha, the HM had withdrawn cash through self cheque for ₹2.27 lakh on 02 March 2023 from the MDM account of the school, maintained at the United Bank of India¹⁰⁶. Details of usage and accounting of these funds were not available in the school records (as of October 2023). Further, the cash book of the school was maintained only up to the period of February 2023 and the concerned HM retired from service on 31 March 2023, indicating that any chance of recovery of the said amount was remote.

The above indicated misappropriation of MDM funds as well as inadequate supervision and monitoring by designated authorities.

In reply, the Department stated (14 May 2025) that a detailed report on such misappropriation of funds and rice from the concerned DEO will be called for and action as required shall be initiated in this matter.

However, Audit reiterates that lack of proper review and monitoring by the Block and District level officers of the designated schools, led to mismanagement of MDM funds and food grains by school authorities.

3.2.7 Central kitchen running without renewal of MoU

Paragraph 4 of the corrigendum letter issued (01 February 2016) by the S&ME Department, GoO, envisaged performance evaluation of Centralised kitchens¹⁰⁷. It further stipulated that the agreement between the Centralised Kitchen Agency¹⁰⁸ (CKA) and the District Administration responsible for

¹⁰⁶ It is now Punjab National Bank after the amalgamation of United Bank of India and Oriental Bank of Commerce to it.

¹⁰⁷ MDM is being cooked in Centralised kitchen by NGOs while hot cooked meal is carried to schools for consumption by children. In total there were three Central Kitchen Agencies under audit purview in six test checked DEOs. Two agencies under the DEO, Ganjam namely 'Manna Trust' and 'Mahila Sanchayika' and one under DEO, Puri namely 'Akshya Patra Foundation Trust'.

¹⁰⁸ School and Mass Education Department has stipulated that Centralised Kitchen Agency should be a voluntary agency, any social entrepreneur, charitable organization, society, SHG or SHG federation.

engaging them, would define the liabilities of the agency and consequences of non-performance. In addition, the performance of such CKAs engaged in serving MDM were to be assessed every two years and further renewal of concerned CKAs would depend upon their performance being found satisfactory.

Scrutiny of the records in test-checked DEOs, revealed irregularities in contract management, as discussed below:

- Two agencies under the DEO, Ganjam, namely Manna Trust and Mahila Sanchayika Sangh had been rendering services for providing hot cooked meals to the schools without a valid contract for more than four years *i.e.*, from September 2019 to January 2024 and for more than two years from March 2021 to January 2024 respectively.
- In Puri district, the MoU with CKA *i.e.*, Akshya Patra Foundation Trust (APFT) was not renewed regularly *i.e.*, after completion of every two years, since the signing of MoU in October 2017. The MOU, which expired in October 2019, was renewed after 16 months of its expiry *i.e.* in February 2021 with retrospective effect. Similarly, the subsequent renewal was done in February 2022 instead of the due date of October 2021 *i.e.*, four months after expiry of the MOU, again with retrospective effect. Moreover, it could not be vouchsafed in audit, that the renewal of the MoU was done after due quality supervision and performance evaluation by either a third party, or through an internal mechanism of the Department.

The Department replied (14 May 2025) that timely renewal of MoU will be ensured henceforth.

Audit noted that owing to lack of due diligence and monitoring by implementing authorities, there was a high risk that the CKAs were rendering services in deviation of stipulated instructions. Moreover, in the absence of a valid MoU, accountability of the agencies who were assigned with the responsibilities of managing public resources in the form of foodgrains, could not be ensured.

3.2.8 Non-realisation of sale proceeds of gunny bags

The School and Mass Education Department, GoO issued (April 2014) instructions in continuation of earlier orders issued during 2005 and 2007, that gunny bags were needed to be disposed off at the school end. It was stipulated that the sale proceeds were to be accounted for in the cashbook and should be utilised preferably for health and hygiene¹⁰⁹ of the students. As regards price of gunny bags, the prevailing market rate in April 2014 of (50 kg) gunny bags was ₹eight each.

¹⁰⁹ In components like hand wash liquid, sanitising toilet, toilet disinfectant, MDM Waste Bin *etc.*

Scrutiny of records of six selected DEOs revealed that, disposal of empty gunny bags had not been carried out during the period 2018-19 to 2022-23 as shown in **Table 3.10**:

Table 3.10: Sale proceeds of gunny bags to be realised during 2018-23

Sl. No.	Name of DEO	Quantity of food grains utilised (in quintals)	Number of gunny bags available (Col. C x 2)	Sale proceeds ¹¹⁰ of gunny bags to be realised (Col. D x ₹8) (₹ in lakh)
A	B	C	D	E
1	DEO, Balangir	2,56,061.79	5,12,124	40.97
2	DEO, Jharsuguda	56,211.48	1,12,423	8.99
3	DEO, Mayurbhanj	4,45,862.03	8,91,724	71.34
4	DEO, Rayagada	1,70,875.55	3,41,751	27.34
5	DEO, Ganjam	4,48,443.71	8,96,887	71.75
	Total	13,77,454.56	27,54,909	220.39

(Source: Information collected from DEOs)

It can be seen in the **Table 3.10** that in total 13.77 lakh quintals of rice was utilised in schools of five test checked districts under the MDM scheme. Utilisation of this quantity of rice would have resulted in availability of 27.55 lakh empty gunny bags worth ₹2.20 crore. To corroborate the above facts, Audit verified the records of 134 schools across test checked districts and found that 35,421 quintals of rice had been consumed and 70,842 gunny bags were emptied. These bags would have fetched a revenue of at least ₹5.67 lakh (calculated at the rate of ₹8 each) but no sale proceeds of these gunny bags were reported to Audit by the concerned schools.

While asserting the fact, the DEOs/ BEOs stated (between August 2023 and February 2024) that instructions would be issued to HMs for realisation of sale proceeds of empty gunny bags at the prevailing market rate.

Further, scrutiny of records in DEO, Puri revealed that 2,03,921.80 quintals of rice were used under the MDM scheme during 2018-23, in which ₹32.63 lakh was to be realised from 4,07,844 empty gunny bags. However, only ₹5.37 lakh¹¹¹ was realised from the Central Kitchen Agency for the audit period of 2018-19 to 2022-23, leaving a balance of ₹27.26 lakh. Moreover, the amount had not been utilised for components such as providing seating mats, plates and hand washing soap for health and hygiene of the students, as required under S&ME Department instructions and was instead lying unused with the DEO, Puri.

In reply, the Department assured (14 May 2025) that a detailed inquiry into the matter shall be done to ascertain the utilisation of sale proceed of gunny bags for earmarked purpose.

¹¹⁰ Sale proceeds would have been higher but for sake of conservative calculation the rates mentioned in the circular of April 2014 has been considered.

¹¹¹ As of March 2023, the accumulated sale proceeds of gunny bags was ₹9.49 lakh which included the accumulation of ₹4.11 lakh pertaining to the period prior to 2018-19.

3.2.9 Capacity building of Cook-cum-Helpers

The MDM Division of the Ministry of Human Resource Development, GoI in its order (22 July 2013) had reiterated quality and safety aspects of the MDM Scheme. In the above order, the Additional Secretary instructed to take immediate action on certain points, which included capacity building. The aim was to train cook-cum-helpers (CCHs) and district resource persons for managing safety of food grains and hygienic cooking needs.

Scrutiny of records at SPMU (PM Poshan) revealed that no capacity building measures were taken by the Department during 2018-23. However, after April 2023, training of CCHs were taken up in batches by SPMU (PM POSHAN) in collaboration with the World Food Programme. Joint Physical Inspection was conducted by Audit along with Departmental representatives (between July 2023 and January 2024), wherein it was noticed that in 31 out of 60 schools, despite the training, the CCHs were not equipped with proper gears like aprons, gloves and caps at the time of preparing and distribution of MDM. Hence, hygiene and cleanliness were compromised in school kitchens and distribution areas as shown in **Photographs 11** and **12** below:



Photograph 11: At Madhyapur UPS, Belpada, CCHs were cooking without aprons, disposable bouffant cap and in unhealthy condition



Photograph 12: At Tentiliguda Government PS, Belpada, food is being served without any protective gears in unhygienic condition

In reply, SNO, SPMU stated (December 2023) that commencement of the CCH training programme was delayed due to shortage of MME funds and was further impeded by the COVID-19 pandemic. The training programme for CCHs was conducted in collaboration with the World Food Programme during April to June 2023.

However, it can be concluded that, despite getting requisite training (after considerable delay), basic formalities such as wearing apron, gloves and cap *etc.*, were still not being carried out while preparing and serving the MDM to students, thereby defeating the very purpose of the training. Consequently, the students at these schools were deprived of hygienic cooking and distribution of MDM as envisioned in the scheme.

3.2.10 Non-distribution of iron and folic acid (IFA)/ de-worming tablets

Para 4.5 of MDM Guidelines, 2006, stipulated health interventions like micronutrient supplementation and de-worming through administration of (a) six monthly doses for de-worming and Vitamin A supplementation, (b) weekly Iron and Folic-Acid (IFA) supplement, Zinc and (c) other appropriate supplementation depending on common deficiencies found in the local area. Para 2.5 of the above guidelines also stipulated regular check-ups in collaboration with the Ministry of Health and Family Welfare. Moreover, MDM Guidelines 2017 and PM-POSHAN (September 2021) Scheme also advised biannual distribution of deworming medicine, weekly distribution of IFA tablets and regular health check-ups for school going children.

The information furnished by SPMU (MDM), Bhubaneswar, related to health check-ups, distribution of IFA and de-worming tablets is enumerated in **Table 3.11** below:

Table 3.11: Details of health check-ups, distribution of IFA and de-worming tablets to students.

Year	Total enrollment in the State	No. of Students covered in health check-ups	IFA distributed	Deworming tablets distributed	Reasons for shortfall
A	B	C	D	E	F
2018-19	48,41,657	35,28,605	47,40,055	27,11,617	Not Available [#]
2019-20	46,41,593	36,76,029	40,33,915	34,03,433	Not Available [#]
2020-21	45,13,758	4,78,329	33,84,570	Not Available [#]	Not Available [#]
2021-22	44,28,963	Not Available [#]	31,94,455	92,613	Due to covid-19
2022-23	45,50,584	23,92,557	40,83,675	45,50,584	Not Available [#]
Total	2,29,76,555	99,75,520	1,94,36,670	1,07,58,247	
Achievement (%)		43.42	84.59	46.82	

[#] SPMU had not furnished the details

(Source: Information furnished by SPMU)

From the above table, it was evident that, 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, as against the distribution of weekly supplement of IFA and six-monthly dose of de-worming tablets to the enrolled students, the achievement was 84.59 per cent and 46.82 per cent respectively. Moreover, during 2020-21, de-worming tablets were not distributed to students in the entire State. Consequently, health interventions envisioned in the Scheme guidelines were not fully achieved.

In reply, the SNO, SPMU stated (December 2023) that the consumption percentage of IFA tablets was less because of many reasons such as student absenteeism, delayed reporting *etc.* De-worming tablets were not distributed by the S&ME due to the closure of schools, and during this period such tablets were being provided by the Director of Health and Family Welfare (DH&FW) through Accredited Social Health Activist (ASHA)/ Auxiliary Nurse and Midwife (ANM) workers. However, the reply was silent on the aspect of deficient health check-ups.

3.3 Results of Joint Physical Inspection of Schools

Audit conducted joint physical inspections (JPI) along with school authorities of 60 schools (including 10 schools where MDM was served through central kitchens) to assess the effective implementation of MDM. Findings of the JPIs are discussed in the subsequent paragraphs:

3.3.1 Lack of infrastructure and equipment in schools

3.3.1.1 Drainage and waste disposal

Para 3.4 of the Guidelines issued (February 2015) by Department of School Education and Literacy, MDM Division, Ministry of Human Resource Development, GoI on Food Safety and Hygiene in School Level Kitchens under MDM stipulated that, adequate drainage, waste disposal systems and facilities should be provided and they should be designed and constructed in such a manner so that risk of contamination of food or, potable water supply is eliminated in schools.

During JPIs of 60 schools on different dates (July 2023 to January 2024), it was revealed that no drainage facilities existed in 19 schools. Due to improper drainage arrangements in these schools, wastewater and garbage from the kitchen was aggravating water logging and led to filthy surroundings as evident in **photographs 13** and **14** below.



Photograph 13: GHS, Kulihamal: No drainage facility available



Photograph 14: UPS, Badbahal: No drainage facility available

3.3.1.2 Availability of Kitchen

Para 3.1(i) of the Guidelines (February 2015) on Food Safety and Hygiene for School Level kitchens under MDM stipulated that the kitchen-cum-store should be located in a clean, hygienic and open place and should be free from filthy surroundings. In addition, the kitchen should be separate from classrooms, preferably located at a safe, but accessible distance.

During JPI of 50 schools, it was noticed that, in 18 schools, proper kitchen-cum-stores were not available in the school. Classrooms, verandahs or cycle sheds were being used for cooking of MDM. Moreover, due to temporary arrangements of cooking in places other than the designated kitchen, cleanliness and hygienic aspects were compromised as shown in Photographs 15 and 16 respectively.

Videolink-1



Cooking of MDM in open and unhygienic place



Photograph 15: UPS, Phalsadhpa: MDM being cooked in cycle shed as kitchen shed was not available



Photograph 16: UPS Badbahal: MDM cooked in verandah as kitchen shed was not available

Thus, cooking was performed in an unhygienic atmosphere and in unsafe places, compromising health and safety of students.

3.3.1.3 Multiple hand washing facilities

Para 2 of the Guidelines (February 2015) on Food Safety and Hygiene for School Level Kitchens under MDM envisaged that, the schools may define an area for hand washing where very simple scalable and cost effective multiple hand washing facilities can be installed for use of large groups of children. Wherever proper hand washing facilities were either not available or inadequate, buckets / mugs could be used to supplement the available facilities.

During JPI it was seen that Multi Tap Multi Cap (MTMC) had been installed in 35 out of 60 schools for hand washing use by large groups of students. However, it was noticed during JPIs that, in 11 schools, MTMCs were not functional for want of maintenance as shown in **photographs 17 and 18**.



Photograph 17: Chamakhandi HS: No water supply at MTMC



Photograph 18: Janakpur PUPS: Defunct MTMC

Further, it had been revealed that in 14 schools out of 60 JPI schools, students were not supplied with soap for washing of hands before and after eating of MDM. Teachers were not supervising or monitoring to promote hand washing.

Thus, students were deprived of hand washing facilities like MTMC and soap, defeating the objective of the guidelines to provide a hygienic environment.

3.3.1.4 Improper weighing of food grains

Para 10 (d) of the Manual for District level functionaries 2017, stipulated that the HM of the concerned school had to ensure that foodgrains delivered are in confirmation with the allocation actually made, by weighing the foodgrains.

During JPI, it was seen that weighing machines were not available in 44 out of 60 schools. Out of these 44 schools, 28 schools admitted that weight was considered on per packet basis instead of ascertaining the actual weight. Audit test checked the sealed packets to ascertain actual weight and found lesser quantity of rice in four schools¹¹², ranging between 1.800 Kg to 8.010 Kgs in each packet. This indicated that packets with less quantity of rice were delivered to the schools by the transport agent. **Photographs 19** and **20** below show the weight as being less than the required 50 Kgs of sealed gunny bags.

¹¹² Government PS Paiksahi (43.00 Kg), Ashram School Sibapadar (41.990 Kg), Janakpur PUPS (48.200 Kg) and Munikhoh Ashram School (42.540 Kg)



Photograph 19: Ashram School, Sibapadar



Photograph 20: Janakpur PUPS

The HM of the schools concerned had not ensured correct weight of the foodgrains at the time of receipt, and as a result, the schools received lesser quantity in the packets. As the stock intake was based on estimates of 50 Kg of rice in each packet, availability of lesser quantity of food grains per student in these schools could not be ruled out.

3.3.1.5 School Nutrition (Kitchen) Garden

The GoI in their letter (15 October 2019) instructed all States to set up School Nutrition (Kitchen) Gardens. The objective was to address malnutrition and micro nutrition deficiencies by consumption of freshly grown vegetables, in order to give children first-hand experience with nature and to enhance the knowledge of children regarding nutritional aspects of vegetables and harmful effect of junk food. An amount of ₹21.50 crore (₹12.90 crore Central share and ₹8.60 crore as State share) was spent for the purpose of establishment of nutritional gardens in 43,000 out of 52,906 schools during FY 2020-21 in the State. Schools having boundary walls were provided with one time allocation of ₹5,000 for the establishment of nutritional gardens through the above funding.

During JPI of 60 schools, it was observed that 15 schools were not provided with funds, six schools refunded funds for want of boundary walls as well as requisite space, whereas 39 schools had received and utilised funds for setting up of nutritional gardens. However, out of these 39 schools, Audit found only six schools had nutritional gardens. Due to the non-implementation of the project in its true spirit, the objectives with which setting up of kitchen gardens were envisioned remained unfulfilled.

3.3.1.6 LPG connection to schools

The State Nodal Officer (MDM) in their letter (12 October 2020) instructed DEOs to ensure LPG connections to all schools covered under MDM by November 2020. Scrutiny of records and information furnished by six test-checked DEOs, revealed that, funds of ₹9.11 crore were released, and 12,892 schools were covered as of March 2023. Out of these only 8,177 schools were utilising LPG, and 4,715 (36.57 per cent) schools were not utilising LPG for cooking of MDM. During JPI, it was found that out of 50 schools, LPG was used only in seven (14 per cent) schools for cooking of MDM. Cooking of MDM was being done by using firewood and the LPG was kept idle as shown in **Photographs 21 and 22**.



Photograph 21: Sibapadar Ashram school: Cooking MDM with the firewood

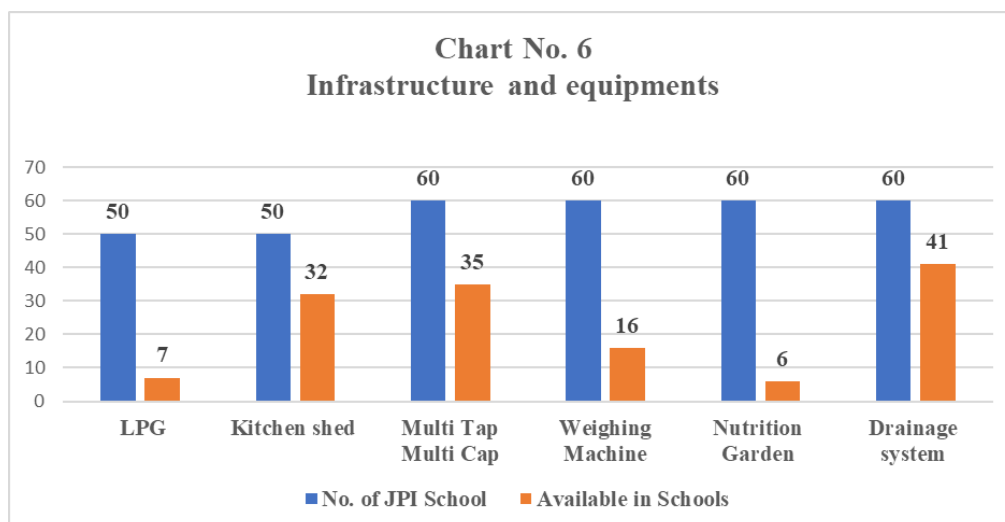


Photograph 22: Badamanjurkupa, UPS, Muniguda: LPG kept covered without being used

In reply, three DEOs¹¹³ stated (August 2023 to November 2023) that use of LPG was costly. Headmasters of 26 schools across six districts also stated that firewood/ coal was economical in comparison to LPG. Thus, the Government's initiative of encouraging environment friendly fuel for cooking of MDM was not fulfilled.

Thus, there were deficiencies with respect to infrastructure and equipment across all the Jointly Inspected schools. The overall picture of the deficiencies related to infrastructure and equipment in these schools is portrayed in **Chart 6** below.

¹¹³ Jharsuguda, Mayurbhanj and Rayagada



The Department replied (14 May 2025) that infrastructure development of all schools including Kitchen Sheds is a priority area of the Department and funds was also provisioned in AWP&B 2025-26 towards repair, maintenance and improvement of kitchen sheds in all schools of the state, so as to ensure the preparation of food in safe, clean and hygienic conditions.

3.3.2 Awareness and hygiene at JPI schools

3.3.2.1 Rights and entitlements of children

Manual for District level functionaries, 2017 issued by GoI, earmarked certain responsibilities to different functionaries at various levels. As per para 10(d), it was the responsibility of the Village Education Committee (VEC)/ School Management and Development (SMDC)/ SMC/ Parent Teacher Association (PTA), Panchayat and HM of the School to display on the walls outside schools, the rights and entitlements of children, food menu, MDM logo and stock of ingredients for creation of awareness among the stakeholders.

The JPI of 60 schools revealed that in 20 schools, rights and entitlements of children, food menu, MDM logo and stock of ingredients were not displayed on the walls outside schools. This not only prevented children from knowing about their entitlements but also limited the scope of information dissemination amongst village communities.

Moreover, it was also seen during the JPI that in 25 out of 60 schools, safety and hygiene measures were compromised, as sitting mats were not arranged for availing MDM, in contravention of Guidelines issued (February 2025) by the Ministry of Human Resource Development, GoI on Food Safety and Hygiene. **Photographs 23** and **24** show that students were taking MDM at places not suitable for having food and also away from the supervision of the school authorities.



Photograph 23: Kanut HS: Students taking MDM in bicycle stand



Photograph 24: Chamakhandi HS: Students taking MDM near drain

3.3.2.2 Storage of dry ration

Para 1.5 of the Guidelines on Food Safety and Hygiene for school level kitchens under MDM stipulated that food grains should be stored in gunny bags or bins and in areas free of rodents and insects. Food grains should also not be stored directly on the ground and a wooden plank should be used for stacking food grains.

During JPI, it was revealed that rice bags had not been stored and stacked properly in 17 out of the 60 schools resulting in infestation of food grains and impacting quality of MDM ingredients, as shown in **photographs 25** and **26**.

Videolink 2



Stacking rice bags in classroom on the floor without wooden planks

Photograph 25: Rice stored directly on ground led to infestation: UGHS, Kotapeta



Photograph 26: Inappropriate stacking led to infestation of rice with instances of insects: UGHS, Golapara

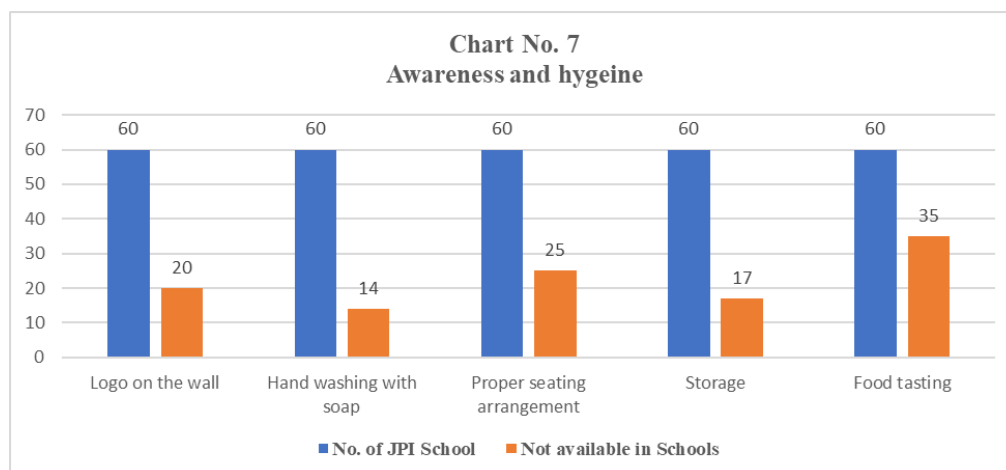


3.3.2.3 Food tasting

Para 1.7 of Guidelines on Food Safety and Hygiene for School Level Kitchens stipulated that tasting of food by a teacher just before serving is mandatory. The teacher was to maintain a record of this tasting in a register. SMC members should also taste the food on a rotation basis along with teachers before it is distributed to children.

During JPI of 60 schools, it was revealed that in 35 schools, the teachers, on the day of JPI, had neither tasted the meal before it was served to students nor had any tasting register been maintained. The SMC/PTA members or the parent's representatives had also not tasted the meal in the test checked schools as required. The Food tasting register was found maintained in only five out of 25 schools where the meals were tasted by teacher/CCH. Thus, the safety and quality of meals in 35 out of 60 inspected schools could not be ensured by Audit.

Thus, deficiencies in terms of hygiene and awareness were noted across all the JPI schools. As such, the objective with which guidelines had been framed to provide clean and healthy food through MDM, remained unrealised, depriving children of their intended benefits. The deficiencies related to hygiene and awareness have been depicted in **Chart 7** below.



In reply, the Department stated (14 May 2025) that infrastructure development of all schools including Kitchen Sheds is a priority area of the Department and funds was also provisioned in AWP&B 2025-26 towards repair, maintenance and improvement of kitchen sheds in all schools of the state, so as to ensure the preparation of food in safe, clean and hygienic conditions.

3.4 Service of MDM to children in non-existing schools

As per Rule 4 of the Odisha MDM Rules, 2016, the meals shall be served to children at the school only. Further, one of the objectives of the MDM Scheme Guidelines, 2017 was to encourage children belonging to disadvantaged sections to attend school more regularly and to help them concentrate on classroom activities.

Joint Physical Inspection of the Ambadhuni PS under BEO, Muniguda of Rayagada district was carried out on 04 December 2023 wherein the Audit team could not find existence of any physical structure of the school at Ambadhuni village. The Audit team collected details regarding MDM served from the villagers through a questionnaire. The Ward Member of the village and other villagers stated that teachers seldom came to the village. One banyan tree (**Photograph 27**) was shown as the designated place, where children assembled whenever teachers occasionally visited the village.



Photograph 27: The platform below the banyan tree, where teachers and children assemble occasionally at Ambadhuni

Although villagers interviewed informed Audit about non-delivery/distribution of MDM amongst enrolled children, however, the HM, after the JPI, furnished expenditure details of ₹1.86 lakh along with consumption of 33.94 quintals of rice used in the school during 2018-23, towards MDM. The total enrollment in the school during these five years was 139 students. No cash book, MDM consumption register, corroborating the expenditure was furnished to Audit in support.



Photograph 28: Location of the Primary School at Denguni of Muniguda Block, where no school infrastructure was found by Audit.

Similarly, JPI of another PS at Denguni, revealed that school infrastructure was non-existent. BEO, Muniguda informed that the total enrollment in the school was 109 students. Moreover, the BEO, Muniguda and the HM of the PS informed that an expenditure of ₹1.19 lakh along with consumption of 22 quintals of rice had taken place in the school during 2018-23 towards MDM. However, the HM could only produce one cash book written for the period 2022-23 in which expenditure towards purchase of hand wash, stationery, sanitizers *etc.* was recorded.

However, in the absence of any classroom, office, storage space, kitchen *etc.* Audit could not check the stock of ration, arrangements for cooking of MDM, area of consumption of MDM by students in both the cases.

Thus, the objective of MDM scheme to provide hot cooked meals to students had completely failed in these schools. There was a high risk that expenditure of ₹3.05 lakh, said to have been incurred on MDM and consumption of rice to the extent of 55.94 quintals during 2018-23, was misappropriated by the concerned teachers by using false and fabricated information.

The Government replied (14 May 2025) that Reports shall be called from the concerned Collectors and corrective actions shall be taken.

3.5 Non-supply of MDM/FSA in satellite school

Rule 9 (1) of the MDM Rules 2015, stipulated that if MDM was not provided on any school day due to any reason, the State Government shall pay FSA to all eligible students which should include foodgrains as well as cooking cost.

The BEO, Bhanjanagar in his letter (19 October 2020) had circulated instructions to the HMs, for merger of 41 satellite schools¹¹⁴ with 41 lead schools in Bhanjanagar Block under “Rationalisation and consolidation of schools under S&ME Department.” by 31 October 2020.

Scrutiny of records revealed that out of the 41 satellite schools, there were 21 schools which could not be merged with lead schools till January 2024. In these schools, classes were re-opened from 14 February 2022 after the Covid-19 pandemic period. Though hot cooked meals were to be resumed from 01 April 2022, no hot cooked meal/ MDM was prepared and served to students enrolled in these schools till January 2023. The MDM was resumed in these schools only from February 2023 after a delay of 10 months. Neither MDM nor FSA was supplied to 467 primary students in these 21 satellite schools during the period from April 2022 to January 2023. As such, 98.54 quintal of rice and ₹5.52 lakh¹¹⁵ cooking cost was not given to the students who were deprived of the benefits of MDMs.

In reply, it was stated (14 May 2025) that DEO, Ganjam has informed that all beneficiaries of satellite schools have been distributed FSA. However, the fact remains that the children were deprived of adequate nutrition for 10 months.

3.6 Monitoring and Supervision

As per para 6.2 of MDM guidelines, 2006, monitoring at different levels is the key factor for successful implementation of the MDM programme aimed at benefitting the student community. There were many mechanisms in place to monitor the scheme, such as regular inspections by concerned authorities, constitution of the Steering cum Monitoring Committees (SMC) at different levels, and social audit. However, Audit found shortcomings in this regard, which are discussed in the subsequent paragraphs.

¹¹⁴ Those schools proposed to merge with nearby lead school are called satellite schools.

¹¹⁵ From 01.04.2022 to 30.09.2022 (129 school days) at ₹5.42 = ₹3,26,517.06 and from 01.10.2022 to 31.01.2023 (82 school days) at ₹5.90 = ₹2,25,934.60

3.6.1 Poor Monitoring and Inspection mechanism

As per GoO instructions (May 2013) SMCs were to be set up at the District and Block level. These Committees were to meet at least once in a quarter. Moreover, Para 6.2 of the above instructions stipulated that the State Government would fix monthly targets for inspection of MDM served in schools by officers at the district, Sub-Divisional, Tehsil/Taluka, block and other suitable levels. Accordingly, GoO fixed monthly monitoring targets (November 2015) for field level functionaries. Each DEO/ADEO was to monitor five schools and each BEO/ ABEO/ CRCC had to monitor ten schools in a month. The Manual for District level functionaries, 2017 for MDM Scheme, envisaged that at least 25 *per cent* of Primary Schools and Special Training Centers (STCs) were inspected every quarter and all schools once in a year. Inspection Reports (IR) were to be prepared for all levels and submitted for the SMC meetings to take suitable remedial measures.

Scrutiny of records in the six test checked districts related to the constitution of SMCs, convening of its meetings and targets for inspections, revealed that only seven¹¹⁶ SMCs out of 19 SMCs had been constituted. Only five out of 380 required number of meetings were held during 2018-19 to 2022-23 as detailed in the *Appendix-XXI*.

Evidently, as against a target fixed for 19,004 inspections to be carried out by BEO, ABEO and CRCC, from 2018-19 to 2022-23, only 1,832 (9.64 *per cent*) were conducted in six IAs¹¹⁷ and no inspections were conducted in the remaining 12 IAs¹¹⁸. Further, no records were available in the DPMUs related to inspection of the schools by subordinate officers like BEO, ABEO and CRCC, for their onwards submission to SMC.

The DEOs/ BEOs while accepting the facts stated (August 2023 to March 2024) that effective steps would be taken for constitution of the SMCs, conducting of meetings and regular inspection of MDM as required under scheme guidelines.

3.6.2 Short Message Service based monitoring

The S&ME Department, GoO had issued guidelines (December 2016) for monitoring of the MDM programme through Short Message Service (SMS) on a real time basis. The State National Informatics Centre (NIC), Bhubaneswar had developed an SMS based application to monitor the scheme. The objective was to monitor consumption of MDM on a daily basis, IFA tablets on a weekly basis and absentees reports on a monthly basis. The mission was to prevent disruption of MDM, IFA tablet consumption and to check false reporting. At the apex level the State Nodal Officer (SNO) (SPMU) was to monitor the SMS data, analyze it and take follow up action.

¹¹⁶ (i) SNA, (ii) DEO, Jharsuguda, (iii) BEO, Kolabira, (iv) DEO, Ganjam (v) DEO, Puri, (vi) BEO, Puri and (vii) BEO, Gop

¹¹⁷ The agencies, which execute the MDM scheme such as schools and training centres

¹¹⁸ (i) BEO, Balangir (ii) BEO, Belpada (iii) DEO, Jharsuguda (iv) DEO, Mayurbhanj (v) BEO, Baripada (vi) BEO, Sulipada (vii) DEO, Rayagada, (viii) BEO, Muniguda (ix) DEO, Ganjam (x) BEO, Chhatrapur (xi) BEO, Bhanjanagar and (xii) DEO, Puri

Scrutiny of records of SNO revealed that out of 56,955 schools of Odisha, data was being reported from only 11,522 schools *i.e.*, 20 *per cent* on an average basis. SMS based monitoring of MDM had stopped during COVID-19 and though the schools reopened from April 2022 onwards, the SMS based monitoring system was not restored.

In response to audit enquiry, the SNO, SPMU stated (December 2023) that schools were closed during Covid-19 pandemic and SMS based monitoring was defunct on the older version of the application. As such, NIC, Bhubaneswar was requested to upgrade and revive the web application, and it was fully implemented from August 2023. However, during Audit of test checked Districts, undertaken after August 2023, in two¹¹⁹ districts, instances of non-sending of SMS by schools to the BEO concerned for acknowledging the attendance of students were observed (November 2023 to February 2024). This was indicative of the fact that, despite implementation of Mobile app, schools are not sending the SMS, thereby hampering the monitoring of MDM.

3.6.3 Social Audit

Para 3.11 of the MDM Guidelines, 2006 provisioned for Social Audit at the local level. The State Governments had to sign an MoU with a locally eminent institute for conducting social audits in their respective States. The GoI also in their letter (03 July 2014) instructed the State Governments to take up social audit in at least 20 schools in each poor performing district. Further, section 28 of the National Food Security Act, 2013 stipulated that social audit of the MDM Scheme was mandatory.

Scrutiny of records at SPMU (PM Poshan), revealed that social audit was conducted in respect of 1,721 schools in six districts only *viz.* Balangir, Kalahandi, Koraput, Malkangiri, Nabarangpur and Nuapara by an NGO appointed by the GoO *i.e.*, Society for Promoting Rural Education and Development (SPREAD) during the period 2018-19. However, social audit was not conducted in the remaining districts during 2018-23. Reasons for non-conduct of social audit during that period were not on record.

In reply, SNO (SPMU) stated (December 2023) that suspension of social audits from 2019 to 2021 was prompted by the onset of the pandemic. However, in the academic year 2022-23, successful social audits were conducted (during 2023-24) by the Odisha Society for Social Audit Accountability and Transparency (OSSAAT), Panchayati Raj and Drinking Water Department in 600 schools, *i.e.*, 20 schools from each district.

However, it may need to be considered that, requisite number of social audits had not been taken up during 2018-2023 (excluding the pandemic period), in deviation of prescribed norms and guidelines. Moreover, social audit for the period 2018-22 had not been taken up subsequently, resulting in non-assessment of implementation of the MDM scheme.

¹¹⁹ Rayagada and Ganjam

3.7 Recommendations

Government may:

- 1. 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.*
- 2. Develop a mechanism to assess demand for funds and foodgrains realistically, by adopting a bottom-up approach for planning.*
- 3. Ensure regular monitoring of foodgrains delivered by the transport agents with proper weighment, as per the terms and conditions of the transport contracts.*
- 4. Develop a robust information system to detect misreporting of inflated MDM consumption as compared to the actual attendance of students.*
- 5. Fix responsibility for misreporting of MDM consumption and misappropriation of MDM funds and foodgrains.*
- 6. Ensure the availability of basic infrastructure facilities and proper hygiene measures in schools across the State as stipulated in the guidelines.*