

SECTION 'B' - COMPLIANCE AUDIT

DEPARTMENT OF WOMEN AND CHILD DEVELOPMENT

2.3 Implementation of Bhagyalakshmi Scheme

2.3.1 Introduction

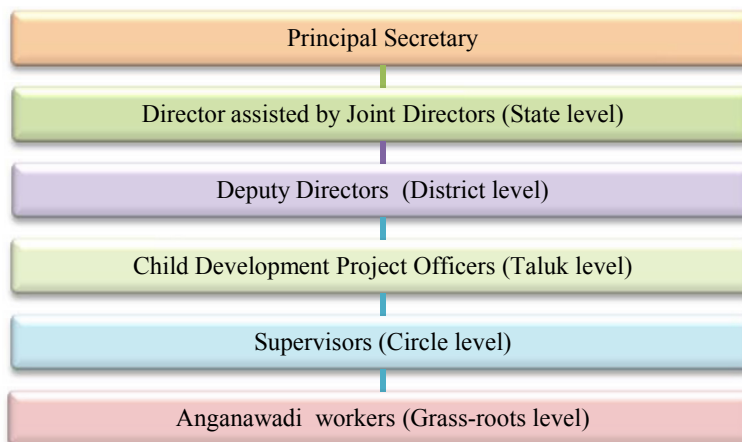
Bhagyalakshmi Scheme (Scheme) was launched by the Government of Karnataka during 2006-07 for Below Poverty Line (BPL)⁴¹ families. The objective of the Scheme was to empower the girl child by way of financial assistance and benefits under the Scheme were limited to two girls in each BPL family.

Under the Scheme, the State Government is to deposit a fixed sum in the name of the girl child with Life Insurance Corporation of India (LIC). The maturity amount *i.e.* the deposit and the accrued interest is to be made available to the beneficiary girl child when she attains 18 years of age. The amount of deposit was initially fixed at ` 10,000 each for first and second girl child from 1 April 2006 to 31 July 2008. This was subsequently increased to ` 19,300 and ` 18,350 for the first and second girl child respectively from August 2008 onwards.

The Scheme also provides for certain interim payments such as, scholarships (each year) up to standard XII and insurance coverage to parent/guardian of the beneficiary, subject to fulfilment of eligibility criteria specified in the guidelines.

2.3.2 Organisational structure

Department of Women and Child Development (Department), headed by the Principal Secretary, was designated (October 2006) as the nodal department to implement the Scheme. The organisational structure for implementation of the Scheme is as shown below.



⁴¹ Annual income limit fixed by Government of Karnataka for BPL eligibility was ` 17,000 in urban areas and ` 12,000 in rural areas.

2.3.3 Audit scope and methodology

The audit of the implementation of the Scheme was conducted (April-September 2013) covering the period 2006-12⁴² by test-check of records of the Director, Women and Child Development Department (hereinafter referred to as the Director), six⁴³ Deputy Directors (DDs) and 12⁴⁴ Child Development Project Officers (CDPOs), selected by using simple random sampling method. Audit scrutinised 7,303 applications (five *per cent*) out of 1,40,206 applications received in the test-checked CDPOs. Besides, Audit also analysed the data⁴⁵ in respect of 12 test-checked CDPOs to ascertain the accuracy and reliability of the information forming the basis of the decision making process. The audit findings are discussed in succeeding paragraphs.

2.3.4 Financial management

The Scheme was announced in the budget 2006-07 and allocated ` 234 crore. In order to draw and utilise the grant, a Trust named 'Bhagyalakshmi Trust' chaired by the Principal Secretary, Finance Department was created in March 2007, pending identification of fund manager. The State Government had appointed (July 2007) LIC as the fund manager through Memorandum of Understanding (MOU). LIC was to provide a long term investment vehicle called pooled account into which the fund as earmarked in the budget was to be deposited by the State Government, based on the estimated number of girl children likely to be born in a quarter. The funds so deposited into the pooled account would earn interest at the rates declared by LIC.

Out of ` 1,859.81 crore drawn by the Trust (` 166 crore) and the Department (` 1,693.81 crore) during the period from 2006-07 to 2011-12, an amount of ` 1,857.44 crore was deposited with LIC in 61 instalments and ` 2.37 crore was spent towards administrative charges, advertisement charges, *etc.* Audit findings with regard to financial management are discussed in succeeding paragraphs.

2.3.4.1 Fund management through 'Bhagyalakshmi Trust'

It was seen that though LIC had been appointed as the fund manager during July 2007, the Trust was dissolved only in November 2012. Further, the Trust had not framed rules for management of funds, though stipulated in the Trust deed. In the absence of any rules, the Trust had parked (August 2007-April 2009) Scheme funds aggregating ` 93.04 crore in fixed deposits/savings account instead of depositing the same with LIC. This resulted in potential loss of interest to the extent of ` 36.70 lakh as the interest rates declared by LIC were higher than the rates offered in fixed deposits/savings account.

⁴² 2012-13 was not considered as the enrolment under the Scheme was allowed up to one year of the birth of the girl child.

⁴³ Bangalore Urban, Bellary, Davanagere, Haveri, Mangalore and Mysore

⁴⁴ Bangalore Central and Sumangali Sevashram (Bangalore Urban), Bellary Urban and Hospet (Bellary), Davanagere and Jagalur (Davanagere), Haveri and Ranebennur (Haveri), Mangalore Rural and Puttur (Mangalore), Mysore Rural and Nanjangud (Mysore)

⁴⁵ Database backup provided by National Informatics Centre (NIC)

2.3.4.2 Details of fund/amount transferred to LIC

The database did not have the provision to capture the amounts transferred to LIC, certificate number issued by LIC, probable maturity amount payable to the girl child, details of cancellation of bonds in cases of ineligibility/child death, *etc.* This rendered the data incomplete as the financial status of the Scheme was not being captured.

The Director accepted (December 2013) the audit observation and stated that action would be taken to maintain online the status of funds transferred to LIC.

2.3.4.3 Delays in release of funds to LIC

As per the MOU, certificates issued to the girl children provided for payment of specified maturity amount to the beneficiary. The maturity amount was worked out considering that the funds would be deposited in advance and would remain invested till the beneficiary completes 18 years.

Audit observed that the payments relating to girl children born during 2007-11 were made (December 2008-January 2013) to LIC with delays ranging from 5 to 17 months in 20 instalments and 26 months in one instalment (excluding the period of one year stipulated for enrolment of the girl child under the Scheme). The delay in release of funds to LIC would result in short realisation of maturity value.

The Scheme also provides for 50 *per cent* of premium of parental insurance under Janashree Bima Yojana from the interest earned in the pooled account. It was seen that LIC had rejected (2008-12) insurance claims relating to parental deaths in 500 cases on the grounds of non-receipt of funds from the Government against those beneficiaries' accounts. Though the beneficiaries were enrolled under the Scheme within the due date prescribed, consequent on delay in providing the required amount to the LIC, the very objective of providing social security to the beneficiary in the event of death of a parent was defeated.

The Director stated (December 2013) that the matter had been brought to the notice of the Government and insurance claims would be settled wherever the records were in order.

2.3.4.4 Wrong calculation of interest

A sum of ` 744.70 crore was deposited with LIC during the year 2012-13. Scrutiny of calculation sheet showed that interest amount (on ` 744.70 crore) credited to the pool account had been wrongly calculated as ` 44.61 crore instead of ` 44.97 crore. This resulted in short credit of interest of ` 0.36 crore.

The Director stated (December 2013) that it would be recalculated and action would be taken accordingly.

2.3.5 Enrolment of the girl child

As per the conditions laid down by the Government, parents of the girl child from a BPL family are required to make an application to their jurisdictional Anganawadi worker. Along with the application, they are required to enclose documents *viz.*, birth certificate, permanent BPL card, income certificate, domicile certificate, *etc.* It was also stipulated that families having more than three children would not be given assistance and benefits, if already extended, would be withdrawn.

The deficiencies noticed in enrolment of girl children are detailed in succeeding paragraphs.

2.3.5.1 Incomplete data entries

Analysis of the data showed that though 1,40,206 beneficiaries had been enrolled in the 12 test-checked CDPOs, data entry was done only in respect of 1,03,300 beneficiaries. The failure to process all the applications online created a backlog and the database was incomplete for monitoring the implementation of the Scheme.

The Director accepted (December 2013) the audit observation and attributed the backlog in entries to lack of infrastructure and shortage of staff. It was further stated that instructions had been issued to CDPOs/DDs to complete backlog entries at the earliest.

2.3.5.2 Inconsistency in establishing BPL criteria

At the time of inception of the Scheme (October 2006), it was compulsory to furnish a copy of the permanent BPL card issued by Department of Food and Civil Supplies (F&CS). Later the Department allowed (June 2007) acceptance of income certificates *in lieu of* BPL cards in cases where issue of permanent BPL cards were pending. However, the Government reviewed (March 2011) this decision of accepting income certificates as the enrolment of 84 *per cent* of total girl child population (during 2009-10) was not realistic and instructed that both permanent BPL card and income certificate were compulsory.

The criterion was again changed during September 2011 and only permanent BPL cards were accepted from 2011-12 onwards. After the insistence on the permanent BPL card, it was observed that enrolment had drastically reduced to 1,76,336 beneficiaries in the year 2011-12 from an average of 2,95,279 (2006-11).

Audit observed in 10⁴⁶ out of 12 test-checked CDPOs that 29,901 children had been enrolled on the basis of temporary BPL ration cards during the period 2006-11, contravening the Scheme guidelines. CDPO, Bangalore Urban had not furnished the details of children enrolled on the basis of

⁴⁶ Bellary Urban, Haveri, Hospet, Jagalur, Mangalore Rural, Mysore Rural, Nanjangud, Puttur, Ranebennur and Sumangali Sevashram

temporary ration cards and there were no such cases in Davanagere CDPO. On cross verification of records in four⁴⁷ CDPOs by Audit with the online data of Department of F&CS, 118 temporary cards were found to have been confirmed later as Above Poverty Line (APL) by the F&CS Department. The possibility of similar cases in other CDPOs could not be ruled out. Thus, indecisiveness in establishing BPL criteria led to enrolment of ineligible beneficiaries. The undue benefit could have been avoided had CDPOs cross verified these with the data of F&CS Department.

Analysis of data also showed that 3,832 beneficiaries having temporary BPL cards had been enrolled (2006-12) under the Scheme. Further, BPL numbers in respect of 75,221 cases were either blank or zero, rendering data unsuitable for checking cases of enrolment of ineligible beneficiaries.

Even after Government had reiterated (September 2011) that only permanent BPL cards were to be accepted, 137 girl children were enrolled in three test-checked CDPOs (Bangalore Central, Hospet and Nanjangud) on the basis of temporary BPL cards during 2011-12.

Further, audit scrutiny of 7,303 applications showed that there were discrepancies in 146 income certificates *viz.*, income certificate with nil income (20 cases), income certificate in the name of the child (six cases), amount in the income certificate tampered with (seven cases), income certificate pertained to mother's family (113 cases).

The Director stated (December 2013) that action had been taken to cancel the bonds issued to APL families and those who had submitted temporary cards.

2.3.5.3 Enrolment of ineligible girl child

Out of 7,303 applications test-checked it was observed that 1,050 ineligible girl children (14 *per cent*) had been enrolled under the Scheme as detailed below.

- x There were 620 applicants who had been enrolled under the Scheme though APL cards had been enclosed to their applications;
- x There were 200 families having more than three children. It was also seen that 10 test-checked CDPOs were themselves aware of 670 such cases where families had more than three children; however, action had not been taken to withdraw the assistance already extended;
- x There were 188 families whose annual income was more than the prescribed limit for BPL families; and
- x There were 42 cases where BPL card belonging to the Mother's parents was accepted for enrolment.

⁴⁷ Bellary Urban (27), Hospet (69), Ranebennur (17) and Sumangali Sevashram (5)

Analysis of the data showed that the database contained 121 cases where income of the families was more than ` 17,000, evidencing that ineligible beneficiaries had been provided assistance under the Scheme. Income certificate numbers in 71,586 cases had not been entered. There were 159 cases where income certificate numbers were same but incomes were different, rendering the data unreliable. Further, 24 girl children belonging to families having more than three children had been enrolled under the Scheme. It was also seen that though there were 5,370 families with three children, only 167 families (three *per cent*) had undergone family planning operation. This indicated that the provisions of the Scheme guidelines were not insisted upon.

The Director stated (December 2013) that letters had been addressed to the concerned DDs to take action as per the audit observation.

2.3.5.4 Non-enclosing of terminal family planning certificates

As per the Scheme guidelines, parents of the beneficiary girl child should not have more than three children, including the beneficiary child. In case where there were three children at the time of enrolment, the parents should undergo terminal family planning operation and a family planning certificate to that effect should be enclosed along with the application.

It was, however, observed in 462 out of 7,303 cases that though the parents were having three children, family planning certificates were not enclosed along with the applications.

The Director stated (December 2013) that action would be taken to collect the family planning certificates.

2.3.6 Irregularities in processing and scrutiny of applications

2.3.6.1 Inadequacy in verification of application

Audit observed that applications were not verified properly by the departmental officers and there were discrepancies as detailed below.

- x Applications not signed by CDPOs (177) and DDs (178);
- x Applications not dated by applicants (496), Anganawadi workers (513), Supervisors (513), CDPOs (522) and DDs (150); and
- x Dates of application and scrutiny by Anganawadi workers, Supervisors, CDPOs were same (770). This is not possible as these officials function at different locations.

This showed that applications were not scrutinised thoroughly before processing.

The Director stated (December 2013) that it was only a procedural lapse. This reply cannot be accepted as the signatures and dates were essential to provide

an assurance that applications of only eligible beneficiaries were being processed.

2.3.6.2 *Regularising delays in processing applications*

Though 48,130 applications (during 2006-10) were received in time, they were not processed and sent to LIC due to administrative/technical reasons. The State Government decided (October 2012) to regularise these delayed applications and instructed that suitable action be taken against the officials responsible.

Accordingly, the State Government paid/adjusted (October 2012 and January 2013) ` 78.68 crore to LIC for regularising 48,130 applications. Further, as maturity value should be same for all the applications of that year, an additional amount of ` 25.40 crore was paid to LIC towards interest. However, out of 48,130 applications, the Government had forwarded only 46,583 names to LIC leaving a balance of 1,547 names not intimated for issue of certificates (June 2013). Thus, delay in processing the applications resulted in avoidable payment of interest of ` 25.40 crore and locking up of ` 3.24 crore in respect of 1,547 names not intimated. Further, there was no documentary evidence in support of action initiated by the Department against the erring officials.

The Director stated (December 2013) that applications could not be processed in time due to non-availability of exclusive staff and infrastructure for the Scheme and lack of computer knowledge amongst the field staff. The reply was not acceptable as the Department had not given due priority to processing of applications.

2.3.6.3 *Discrepancies in birth certificates*

Audit came across 708 out of 7,303 cases wherein there were discrepancies in the birth certificates as detailed in **Table 2.10** below.

Table 2.10: Details of discrepancies in birth certificates

Discrepancies	No. of cases
Date of birth tampered with (2006-07)	66
Birth certificate without child's name	510
Name of the child was written by pen on the photo copy of the birth certificate	125
Sex of the child was mentioned as 'male'	4
Application date is before the date of birth of the child	3
Total	708

Source: Compiled by Audit after scrutinising applications

It could be seen from the above that the birth certificates were not properly scrutinised and applications were processed in a routine manner, resulting in enrolment of ineligible beneficiaries.

The Director stated (December 2013) that the concerned DDs had been asked to examine these issues. It was further stated that the Scheme guidelines did not insist upon the child's name on the birth certificate. The reply was not acceptable as the declaration by the Supervisor (Format III of the Scheme guidelines) mandated verification of the name of the beneficiary on the birth certificate.

2.3.6.4 Non-adherence to time frame requirement

The Department had prescribed time limit to process the applications at each stage, *i.e.*, Anganawadi worker to Supervisor (one month), CDPO (15 days), Deputy Director (30 days) and Director (15 days).

Analysis of data showed that there were median delays of 72 days at CDPO level, 123 days at DD level and 154 days at Director level in processing the applications, evidencing that prescribed time limits were not adhered to. These delays would subsequently affect the maturity amount receivable by the beneficiary.

The Director accepted (December 2013) the audit observation and attributed the delays to lack of infrastructure, non-availability of computer and exclusive trained staff for the implementation of the Scheme.

2.3.7 Issuance of certificate

The approved applications along with required funds are forwarded to LIC for issue of certificates. On receipt of certificates from LIC, the Department should verify the correctness of the entries printed in the certificates and the same should be handed over to the beneficiaries.

2.3.7.1 Calculation of projected maturity value

As per the MOU, the beneficiary girl child will be entitled to the scholarship amounts under Shiksha Sahayog Yojana⁴⁸ (SSY) if she completes standard IX, X, XI and XII. This will be in addition to the projected maturity value of the Scheme. Audit scrutiny of calculation sheet of projected maturity value showed that the scholarship amount payable under SSY was included as a deposit while working out the maturity value. This was not in order since the beneficiary under the Scheme is required to study up to standard VIII only in order to be eligible. The fact that she continues/discontinues to study further should not affect the maturity value entitled under the Scheme. Thus, the inclusion of scholarship amount resulted in inflated maturity value as detailed in **Table 2.11**.

⁴⁸ SSY is a social security scheme for providing economic support for educational purposes to the children of parents covered under Janashree Bima Yojana

Table 2.11: Details of inflated maturity value

(Amount in `)

Particulars	Amount deposited per child	Projected maturity amount payable as per MOU	Actual maturity value worked out by Audit
Girl child born during 2006-07	10,850	34,751	31,811
Girl child born during 2007-08 (1 st child)	10,000	34,165	31,224
Girl child born during 2007-08 (2 nd child)	10,000	40,918	37,925
Girl child born during 2008-09 (born after 1 August 2008) - 1 st child	19,300	1,00,097	90,249
Girl child born during 2008-09 (born after 1 August 2008) - 2 nd child	18,350	1,00,052	90,204

Source: MOU and calculation sheet furnished by LIC

Further, the beneficiaries may not have been aware of the additional benefits of scholarships available under SSY as these were neither disclosed in the certificates nor given wide publicity.

The Director stated (December 2013) that action had been taken to give wider publicity about scholarship benefit.

2.3.7.2 *Incorrect issue of certificates to first and second child*

The Scheme envisages that the mother or guardian of the beneficiary would be enrolled in Janashree Bima Yojana and Group Term Life Insurance scheme to get insurance benefit. The insurance premium, up to July 2008, was deducted out of the interest earned in the account of first beneficiary child and subsequently the State Government included (August 2008 onwards) the insurance premium in the deposit amount of the first child⁴⁹. This necessitated that the fact of the girl child being first or second beneficiary should be clearly mentioned in the application form. Audit, however, observed that the application form was deficient as there was no column for mentioning the order of the beneficiary under the Scheme. This also resulted in incorrect projection of maturity value and the deficiencies observed in the records of 12 test-checked CDPOs are detailed below.

- æ 991 second beneficiaries in 12 test-checked CDPOs were issued certificates (up to July 2008), which stated the projected value applicable to the first beneficiary girl child. This would result in payment of lower maturity value consequent on deduction of parental insurance premium.
- æ 113 second beneficiaries in eight test-checked CDPOs were enrolled as first beneficiaries (August 2008 onwards). This resulted in excess deposit of ` 1.07 lakh⁵⁰.
- æ 1,071 first beneficiaries in nine test-checked CDPOs were wrongly mentioned (2006-12) as second beneficiaries. As a result, parental insurance premium would not be recovered, depriving the beneficiaries

⁴⁹ From August 2008 onwards deposit amounts were ` 19,300 for 1st child and ` 18,350 for 2nd child

⁵⁰ ` 950 (` 19,300 - ` 18,350) x 113 = ` 1,07,350

of parental insurance as well as scholarship benefits. This is evident as the LIC had already rejected claims of five beneficiaries due to non-recovery of parental insurance premium.

The Director stated (December 2013) that action had been initiated to rectify the omissions.

2.3.7.3 Difference in maturity value

As per the MOU, a sum of ` 10,850 was to be deposited for girl child born during 2006-07 and the maturity amount payable was ` 34,751. However, Audit observed that LIC had issued certificates with the maturity value as ` 31,072 to 64,112 beneficiaries born during 2006-07. This was because the Government had deposited ` 10,000 instead of ` 10,850 in respect of these beneficiaries. This not only created disparity among the beneficiaries born in the same year but could, in the future, lead to legal problems at the time of making payments.

The Director stated (December 2013) that suitable action would be taken to rectify the maturity value.

2.3.7.4 Difference in date of birth of the child

Audit scrutiny of applications in offices of three⁵¹ test-checked CDPOs showed that in 93 cases, the date of birth of a child, as recorded in LIC certificate, differed from that on the birth certificate. Due to difference in dates of birth, the children would be deprived of the actual maturity value on completion of 18 years. It is pertinent to mention here that two beneficiaries, though born after August 2008 and eligible to get ` 1,00,097, would only get ` 34,165 as they had been issued LIC certificates with dates of birth prior to August 2008⁵². In another six⁵³ cases, the Government had deposited excess amount of ` 55,800 (` 9,300 x 6) and beneficiaries would get ` 1,00,097 instead of ` 34,165.

2.3.7.5 Safeguards to ensure continuing eligibility of the girl child

The following conditions are to be fulfilled by beneficiary girl child for claiming the deposit amount from LIC on completion of 18 years.

- x the beneficiary should be immunised up to the age of 16 years as per the immunisation schedule given by the Health Department.
- x the beneficiary should not be engaged in child labour.

⁵¹ Bangalore Central (87), Mangalore Rural (five) and Nanjangud (one)

⁵² Deposit amounts and maturity values had been revised with effect from 1 August 2008 as detailed in Table 2.11 (**Paragraph 2.3.7.1**)

⁵³ Beneficiaries born prior to August 2008 but dates of birth as recorded in LIC certificates were after August 2008

- x the beneficiary should attend Anganawadi centre/pre-school until she attains the age of six and continue school education up to minimum of VIII standard in Government recognised school.
- x the beneficiary should not get married before attaining the age of 18 years.
- x beneficiary's parent should undergo terminal family planning operation (maximum three children) and a certificate to that effect should be furnished.

The beneficiary database maintained in the Department contains columns/fields which enable it to track the continuing eligibility of the beneficiary girl child. However, Audit observed that out of 1.03 lakh beneficiaries, immunisation details of only 0.13 lakh beneficiaries (13 *per cent*) had been captured.

Further, though there were 71,727 children in the age group of three to six, only 5,066 children (seven *per cent*) had been enrolled in Anganawadi centres. Out of 10,182 children more than six years old, only 928 children (nine *per cent*) had been enrolled in schools. It could, therefore, be seen that though the above details were mandatory, these were either not updated or norms were not being followed.

The Director stated (December 2013) that action would be taken to make the follow up entries.

2.3.8 Denial of Scheme benefits

2.3.8.1 Denial of insurance benefits

As stated earlier, parent/guardian of beneficiary is provided insurance coverage (₹ 42,500 for natural death and ₹ 1,00,000 for accidental death)⁵⁴ under Janashree Bima Yojana and Group Insurance. In this connection, LIC had prescribed (June 2008) a list of documents required to settle death claims. On the demise of the insured parent, the second parent/guardian should be insured.

It was observed that 6,224 insured parents had expired during the period 2006-13 in the State. However, in none of these cases, the second parent/guardian had been nominated for insurance coverage. This resulted in denial of insurance coverage to the second parent/guardian and scholarship benefits to the beneficiary under SSY.

The Director accepted (December 2013) the audit observation and stated that action had been initiated to nominate the surviving second parent/guardian after getting the information from the field offices.

⁵⁴ ₹ 30,000 for natural death and ₹ 75,000 for accidental death as per modified rates (with effect from 1 August 2008)

It was also observed that 301 accidental death claims in the State were settled by LIC as natural death claims for want of documents which were not prescribed earlier such as, original certificate, police charge sheet, etc. The Department also did not challenge the necessity of documents called for by LIC. As a result, families of the deceased were deprived of eligible insurance benefits, which was higher in the case of accidental death.

The Director stated (December 2013) that instructions had been issued to DDs to furnish the required documents for the settlement of accidental death claims.

2.3.8.2 Non-payment of scholarship to beneficiary students

As per the MOU, the girl children were eligible for a scholarship amount of ` 300 per annum up to standard III. However, Audit observed that though 2,246 beneficiaries (out of 7,303 beneficiaries) born during 2006-07 and 2007-08 would have completed standard I or II, not even a single child had been paid the scholarship amount. The database also showed that none of the 928 children, who had attended school, had been sanctioned scholarship.

2.3.8.3 Delay in furnishing information regarding death of beneficiary

In case of death of the beneficiary, the information is to be passed on to LIC by the concerned DD/CDPO along with the LIC certificate and a copy of death certificate. Subsequently, LIC is to refund the deposited amount and interest accrued thereon to the State Government. Scrutiny of records of six⁵⁵ test-checked CDPOs showed that information regarding death of 236 beneficiaries was submitted to LIC with delays ranging between less than a year and extending beyond four⁵⁶ years. Two CDPOs (Ranebennur-55 and Sumangali Sevashram-23) had not sent information about the death of 78 beneficiaries relating to the period 2007-13. The details were not furnished in respect of the other four CDPOs.

2.3.9 Monitoring

2.3.9.1 Formation and functioning of Task Force at taluk level

The Government had instructed (March 2007) the Department to form a Task Force at each taluk level comprising the Tahsildar (as President) to monitor the effective implementation of the Scheme and coordinate with other specified departments to ensure that all eligible children are enrolled under the Scheme.

Out of 12 test-checked CDPOs, Task Force had not been formed in one CDPO (Bellary Urban). Though Task Force had been formed in six CDPOs, meetings had not been conducted monthly, as envisaged. The number of meetings conducted during 2007-13 in these CDPOs ranged from nil to

⁵⁵ Bangalore Central (38), Hospet (14), Mangalore Rural (five), Mysore Rural (57), Nanjangud (119) and Puttur (three)

⁵⁶ Less than one year (59 cases), one to two years (79 cases), two to three years (58 cases), three to four years (26 cases) and more than four years (14 cases)

eight⁵⁷. The remaining five⁵⁸ CDPOs had not furnished the information. Thus, the Department did not monitor the functioning of Task Force.

2.3.9.2 Formation of Coordinating Committees

As per the MOU, Coordinating Committees consisting of representatives of LIC and the Department were to be set up at State, district and taluk level as detailed in **Table 2.12** to review the implementation of the Scheme.

Table 2.12: Details of formation of Coordinating Committees

Level	Members of Committees
State level	Divisional Manager (Pension & Group scheme), Bangalore from LIC and the Director, Department of Women and Child Development
District level	District Branch Manager of LIC and Deputy/Assistant Director
Taluk level	Nodal Officers of LIC and CDPO

Source: MOU

However, Coordinating Committees had not been formed in three test-checked CDPOs (Mangalore Rural, Mysore Rural and Sumangali Sevashram). Further, there was no documentary evidence in support of having formed such Coordinating Committees in other nine test-checked CDPOs.

The Director stated (December 2013) that regular meetings were conducted with LIC at State level to sort out the issues relating to the Scheme and district level officers also attended the meetings. The reply was not acceptable as the terms and conditions of MOU were not adhered to.

2.3.9.3 Non-reconciliation of departmental figures with that of LIC

LIC should carry out periodical reconciliation of financial data/figures, beneficiaries' enrolment, double certificates, cases of parental and beneficiaries' deaths, settlement of insurance claims, etc., with the Department and submit a report to the Government.

There were no records to suggest that reconciliation, as envisaged above, had been carried out. LIC stated (October 2013) that statement of remittances and utilisation certificates of the funds were being provided to the Department. However, the reply was silent about reconciliation.

It was also seen that 6,224 parents and 7,708 beneficiaries had expired (July 2013) in the State. However, LIC continued to recover insurance premium in respect of these cases in a routine manner, which resulted in excess recovery of ` 75.42 lakh. The Department also failed to notice the excess recovery which may be due to non-reconciliation of data with LIC.

The Director stated (December 2013) that reconciliation was carried out with LIC on regular basis. The reply was not acceptable as there were no records to suggest that reconciliation was done.

⁵⁷ Bangalore Central (six), Mangalore (four), Mysore Rural (four), Nanjangud (eight), Puttur (seven) and Sumangali Sevashram (nil)

⁵⁸ Davanagere, Haveri, Hospet, Jagalur and Ranebennur

2.3.9.4 Improper maintenance of applications in field offices

The Scheme was spread over a period of 18 years for each beneficiary and hence required safe custody of related documents. However, Audit observed that in eight⁵⁹ test-checked CDPOs, all applications were kept in gunny bags and dumped in a room. Such conditions of custody of documents are fraught with risk as any loss of application would lead to legal complications at a later stage.

The Director accepted (December 2013) the audit observation and stated that instructions had been given to all district officers to maintain the applications in a systematic manner.

2.3.9.5 Discrepancies in maintenance of records

As per the Scheme guidelines, the Anganawadi worker is required to maintain a separate record for each beneficiary to ensure compliance with the following conditions:

- æ The child should attend either Anganawadi or any other educational institution recognised by the Government.
- æ The child should get immunised from birth to 16 years of age. A certificate issued by medical authority for having immunised the child should be collected by the Department.

However, scrutiny of 422 beneficiaries' records in six⁶⁰ Anganawadi centres showed the following shortcomings:

- æ While 19 (five *per cent*) children attended Anganawadi only for six months, 22 (five *per cent*) and 15 (four *per cent*) children attended Anganawadi only for one and two years respectively.
- æ 215 (51 *per cent*) children had not attended Anganawadi centre. The details of these children having attended other pre-schools recognised by Government were also not available.
- æ In respect of 186 (44 *per cent*) children, no documentation regarding immunisation was available.

The Director stated (December 2013) that instructions had been issued to DDs to maintain the records properly.

2.3.9.6 Non-tracking of children

As per the provision of the Scheme, after enrolment of the girl child under the Scheme, it is the responsibility of the Department to monitor the progress of the beneficiary up to six years.

⁵⁹ Bangalore Central, Bellary Urban, Davanagere, Haveri, Hospet, Jagalur, Mysore Rural and Ranebennur

⁶⁰ Bangalore Central, Bellary Urban, Davanagere, Mysore Rural, Nanjangud and Sumangali Sevashram

On a review of records in eight out of 12 test-checked CDPOs, Audit observed that though 1,06,652 children had been enrolled under the Scheme, the Department was not aware of the whereabouts of 7,814⁶¹ children (seven *per cent*). Further, 974 certificates were not distributed by six⁶² CDPOs. This not only contravened the Scheme guidelines but also fulfilment of primary objective of empowering the girl child could not be ensured.

The Director stated (December 2013) that action had been taken to link the Scheme software with Education Department's software (*Hejje Guruthu*) and instructions had been issued to DDs to trace 7,814 children.

2.3.10 Conclusion

In order for the beneficiary girl child to be eligible at the age of eighteen, the Scheme has laid down too many terms and conditions which are not capable of being tracked on a continuous basis. This is because the data is not being updated periodically and fields relating to financial data are altogether missing in the database. Hence, the Scheme as envisaged is bound to have lots of lacunae in implementation such as delays and deficiencies in processing applications and inclusion of ineligible beneficiaries. Further, a Scheme that is difficult for the parents/beneficiaries to comprehend fully since the department has not undertaken adequate awareness programs will only leave the parents knocking on various doors-(BPL certificate, birth certificate, income certificate, immunisation certificate, attendance in Anganawadi, attendance in school, family planning certificates, death certificate of parent/child, change in conditions/benefits for higher class studies, *etc.*) and thus encourage red tapism.

2.3.11 Recommendations

- æ The unique identity of each beneficiary to be established to ensure that the beneficiary is extended the benefits of the Scheme only once.
- æ 'Aadhaar' authentication for tracking beneficiaries and making payments may be considered.
- æ Stronger Information Technology (IT) system integrated with LIC databases should be put in place that is with validations regarding correct premiums, discharge of policies and payment of maturity value/scholarship.
- æ Increase awareness about the terms and conditions of the Scheme and its benefits through focused and widespread Information, Education and Communication (IEC) campaign.

⁶¹ Bangalore Central (1,074), Bellary Urban (130), Davanagere (2,668), Hospet (137), Mysore Rural (1,620), Nanjangud (62), Puttur (13) and Sumangali Sevashram (2,110)

⁶² Bangalore Central (722), Bellary Urban (38), Haveri (65), Hospet (133), Mysore Rural (eight) and Sumangali Sevashram (eight)