

## CHAPTER III: PERFORMANCE AUDIT (CIVIL DEPARTMENTS)

### EDUCATION (SCHOOL) DEPARTMENT

#### 3.1 Sarva Shiksha Abhiyan

*Sarva Shiksha Abhiyan (SSA) was launched in the State in October 2000 with the main objective of providing education to all the children in the age group of 6-14 years. The implementation of SSA in the State did not achieve the target set. While 2003 was the target year by which all children of the age group 6-14 years should have been brought to school, 62,187 children remained out of school as per a survey conducted in December 2003, making the timely achievement of the two other related objectives viz. all of them to complete five years' of primary schooling by 2007 and upper primary schooling by 2010, not feasible. Delays in planning and lack of adequate community involvement contributed to non-achievement of the objectives. Quality of education suffered due to inadequate teaching staff and lack of adequate training arrangements for teachers, resource persons and community leaders.*

#### Highlights

**Delay in release and short release of funds both by the Government of India (Rs. 18.40 crore) and the State Government (Rs. 9.83 crore) adversely affected the programme. The shortfall in release of funds ranged from 10.2 to 16.8 per cent.**

*(Paragraphs 3.1.7 and 3.1.8)*

**Inordinate delay in constituting various committees for decentralised decision making, affected the planning process.**

*(Paragraphs 3.1.10 and 3.1.12)*

**Eleven new primary schools were opened in Dhalai and North Tripura districts with less than 10 students in each, which did not fulfill the criteria for opening even Education Guarantee Scheme centres.**

*(Paragraph 3.1.14)*

**Against the target of enrolment of 6,24,814 eligible children in the age group 6-14 years by 2003, 62,187 children remained out of school as per a survey conducted in December 2003, resulting in a shortfall of 9.95 per cent.**

*(Paragraph 3.1.16)*

**Against the stipulation of 50 per cent, female teachers constituted only 25 per cent of the total teachers.**

*(Paragraph 3.1.17)*

**Rupees 4.76 crore of scheme funds were irregularly diverted for constructing buildings for the Directorate of School Education (Rs. 2 crore) and SCERT (Rs. 30 lakh) and to State Government account towards teachers' salary (Rs. 2.46 crore).**

*(Paragraphs 3.1.15 and 3.1.20)*

**Targets fixed for providing classrooms and drinking water facilities for the children in the schools were yet to be achieved.**

*(Paragraphs 3.1.21 and 3.1.22)*

**The manpower for elementary education was inadequate, as requisite number of Resource Persons in BRCs and CRCs as per SSA/State norms were not engaged and the vacancies arising due to engagement of 872 existing regular teachers as Resource Persons were not filled.**

*(Paragraph 3.1.24)*

**SCERT and the DIETs had no specific action plan and hence failed to contribute effectively to the training of teachers, resource persons and community leaders as well as to research and evaluation activities due to inadequacy of staff.**

*(Paragraphs 3.1.28, 3.1.29 and 3.1.30)*

**During 2001-04, cash payment was made to students in lieu of 'free text books' without approval. Rs. 1.26 crore was spent for providing free text books to non-eligible students. Rs. 3.93 crore booked as expenditure on 'free text books', was spent on repair / renovation, purchase of furniture and previous years' book grant, though not permissible under SSA norms. The ST students in tribal areas were not provided text-books in their mother-tongue.**

*(Paragraph 3.1.37)*

**Although SSA aimed at zero dropouts by 2003, dropouts at primary (I to V) and elementary (I to VIII) levels were 17.18 and 26.34 per cent respectively. Dropouts among ST children were the highest (24.84 and 31.35 per cent) at primary and upper primary stages.**

*(Paragraph 3.1.38)*

**During 2002-2004, Rs. 30.63 lakh was paid in cash to disabled children, although cash payment was not permissible under SSA norms.**

*(Paragraph 3.1.40)*

### **3.1.1 Introduction**

Sarva Shiksha Abhiyan (SSA), a community owned initiative to universalise elementary education, was launched in the State in October 2000 with the main objective of providing quality education to the children in the age group of 6-14 years; the children belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs), disabled children and girls in this age group were treated as special focus group.

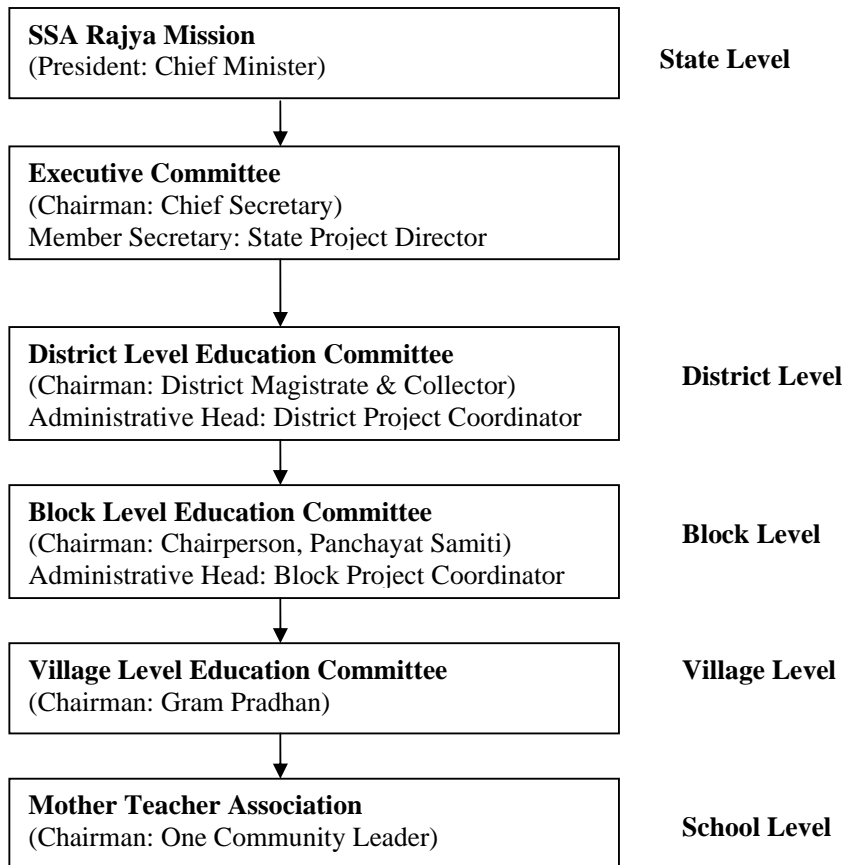
The objectives of the SSA were to:

- have all children in schools, education guarantee centres, alternative schools and 'back to school' camps by 2003;
- ensure that all children complete five years of primary schooling by 2007;
- ensure that all children complete eight years of elementary schooling by 2010;
- focus on elementary education of satisfactory quality with emphasis on education for life;

- bridge all gender and social category gaps at primary stage by 2007 and at elementary education level by 2010; and
- universal retention by 2010.

### 3.1.2 Organisational set up

An organogram showing the administrative and monitoring structure of SSA in the State is given below:



At the State level, the Implementing Agency is the Sarva Shiksha Abhiyan Rajya Mission, set up under the Chairmanship of the Chief Minister. It works under the guidance of its Executive Committee with the Chief Secretary as the Chair-person and the State Project Director as Member-Secretary. The Director of School Education is the ex-officio State Project Director.

The main responsibility of implementing the programme vests with the District Level Education Committees headed by the respective District Education Officers, designated as District Project Coordinators. In the 40 blocks, the responsibility vests with the Block level Education Committees headed by the Block Project Coordinators. Agartala Municipal Council area is treated as an Education Block. The respective Inspectors of Schools are the ex-officio Block Project Coordinators. The administration of elementary education at Block level is done by the respective Inspectors of Schools. In the Tripura Tribal Areas Autonomous District Council (TTAADC) areas, having three fourth of the primary schools of the State, elementary education is administered by a separate Inspectorate of the concerned Block.

At the village level, Village Education Committees have been set up with the Chief of the Panchayat/Village Development Committee as Chair-person to ensure community participation. In urban areas similar functions were discharged by the Monitoring Committees set up in the Agartala Municipal Council/Urban Local Bodies.

### 3.1.3 Scope of audit

The review covered the implementation of SSA during 2001-02 to 2005-06, including preparatory activities with an audit coverage of 32.41 *per cent* (Rs. 56.21 crore out of Rs. 173.41 crore) of the total expenditure.

The records of the State Project Director (SPD), SSA Rajya Mission (Mission), four District Project Co-ordinators (DPCs), 12 sampled Education Blocks<sup>1</sup>, 65 sampled schools (selected by Random Sampling Method), Tripura Board of Secondary Education (TBSE), State Council for Educational Research and Training (SCERT) and four District Institutes of Education and Training (DIETs) were examined during August – September 2005 and July 2006. Information was also collected from other offices associated with SSA *viz.*, Directorate of Welfare for Schedule Tribes, Directorate of Welfare for Schedule Castes, OBC and Minority, Directorate of Social Welfare and Social Education, Directorate of Food, Civil Supplies and Consumer Affairs and Directorate of Employment Services and Manpower Planning.

### 3.1.4 Audit objectives

The audit objectives of the performance audit were to assess whether:

- the components of the programme were need based and well designed;
- the funds were assessed carefully, released in time and utilised efficiently as per the approved plan;
- the infrastructure provided to schools was adequate;
- the major interventions under SSA were carried out as per the norms fixed;
- the outreach of education for girls, scheduled castes and tribal children had expanded;
- the efforts to improve the quality of educational standards had been effective and economical;
- the planning for implementing various programmes through Non-Governmental Organisations (NGOs) was done in an effective and economical manner;
- an effective monitoring system was in place.

### 3.1.5 Audit criteria

The audit criteria used to achieve the audit objectives were:

- Annual Work Plans, standards of output and benchmark of performances for each component of the scheme.
- Norms for appointment of teachers and facilities to be provided in schools.

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<sup>1</sup> 1. Hezamara, 2. Padmabil, 3. Agartala Municipal Council Area (all from West Tripura district), 4. Matabari, 5. Killa, 6. Kakraban (all from South Tripura district), 7. Kadamtala, 8. Panisagar, 9. Kumarghat (all from North Tripura district), 10. Salema, 11. Ambassa, 12. Manu (all from Dhalai district).

- Standards of education including curricula, teaching learning materials and teachers' training.
- Coverage of special target groups and achievements.

### 3.1.6 Audit methodology

Before taking up the performance audit intimation was sent to the Education (School) Department which is the nodal department. A presentation was made by the SSA Rajya Mission in May 2005, on the salient features of the scheme. The audit objectives and criteria were explained by Audit to the Mission in July 2005. An entry meeting was held in August 2005 between Audit and the field level implementing agencies of SSA to discuss preliminary issues, wherein different sets of questionnaires and formats were handed over for furnishing replies. Some additional formats were also supplied in July 2006.

Information and data were collected during the course of audit at the District/Block/Village/School level between August and September 2005 and again in July 2006 which formed the basis of audit-evidence. The audit findings developed on analysis of these evidences were discussed in the exit conference with the auditee organization in November 2005 and September 2006 and their views/comments, where offered, were suitably incorporated.

### Audit findings

#### 3.1.7 Financial position

The approved project cost along with the norms of financing *vis-à-vis* the funds released by the GOI and the State Government for the period 2001-06 were as under:

**Table No. 3.1.1**

| Year of sanction and the financial norms applicable between Centre and State | Project cost approved by PAB of GOI | Funds due to be paid against project cost |                     | Funds released    |                     |               | Amount of shortage (-) / excess (+)<br>(The figures within bracket indicate percentage) |                                  |
|--|-------------------------------------|---|---------------------|-------------------|---------------------|---------------|---|----------------------------------|
|  |                                     | By GOI                                    | By State Government | By GOI            | By State Government | Total         | By GOI  | By State Government              |
| <i>I</i>   | <i>2</i>                            | <i>3</i>                                  | <i>4</i>            | <i>5</i>          | <i>6</i>            | <i>7</i>      | <i>8</i><br>(3-5)   | <i>9</i><br>(4-6)                |
| <i>(Rupees in crore)</i>   |                                     |   |                     |                   |                     |               |   |                                  |
| 2001-02<br>(85:15)   | 10.48                               | 8.91                                      | 1.57                | 4.45 <sup>2</sup> | 0.15                | 4.60          | (-) 4.46<br>(50.0)  | (-) 1.42<br>(90.4)               |
| 2002-03<br>(75:25)   | 19.63                               | 14.72                                     | 4.91                | 11.62             | 5.55                | 17.17         | (-) 3.10<br>(21.1)  | (+) 0.64<br>(13.0)               |
| 2003-04<br>(75:25)   | 51.17                               | 38.38                                     | 12.79               | 27.52             | 5.63                | 33.15         | (-) 10.86<br>(28.3)   | (-) 7.16<br>(56.0)               |
| 2004-05<br>(75:25)   | 62.56                               | 46.92                                     | 15.64               | 38.32             | 18.39               | 56.71         | (-) 8.60<br>(18.3)  | (+) 2.75<br>(17.6)               |
| 2005-06<br>(75:25)   | 94.28                               | 70.71                                     | 23.57               | 79.33             | 18.93               | 98.26         | (+) 8.62<br>(12.2)  | (-) 4.64<br>(19.7)               |
| <b>Total</b>   | <b>238.12</b>                       | <b>179.64</b>                             | <b>58.48</b>        | <b>161.24</b>     | <b>48.65</b>        | <b>209.89</b> | <b>(-) 18.40</b><br><b>(10.2)</b>   | <b>(-) 9.83</b><br><b>(16.8)</b> |

**Source:** PAB approved project and relevant sanction orders by GOI and the State Government.

<sup>2</sup> This excludes funds of Rs. 46.20 lakh received for preparatory activities.

### 3.1.8 Delay in release of funds

The above table shows that:

- Both the GOI and the State Government did not release the full amount of funds, the shortfall ranging from 10.2 to 16.8 *per cent*. The Government stated that it calculated its share with reference to the Central release and not with reference to the project cost and therefore the shortfall on its account was Rs. 4.60 crore (and cost Rs. 9.83 crore), which had been made good in 2006-07.
- Both the Central and the State shares for 2001-2002 were released at the fag end of March 2002 and the funds were placed with the State Implementing Society (SIS) four months later (July 2002). Consequently, the State was deprived of the residual Government of India funds for 2001-02, release of which was contingent upon utilisation of 50 *per cent* of the grants released earlier.
- During 2002-03, the GOI released the first instalment of Rs. 9.31 crore in November 2002 but took more than two months in transmitting the funds to the SIS (January 2003). The State share of Rs. 5.55 crore too was made available to the SIS in January 2003 (Rs. 2.25 crore) and March 2003 (Rs. 3.30 crore).
- During 2003-04 and 2004-05, the GOI released only a part of its share (71.7 and 81.7 *per cent* respectively). Although it released its full share during the year 2005-06, the State Government released only 80 *per cent* of its share.

### 3.1.9 Funds available were not spent in full

The position relating to funds availability and the expenditure incurred thereagainst during 2001-06 is shown below:

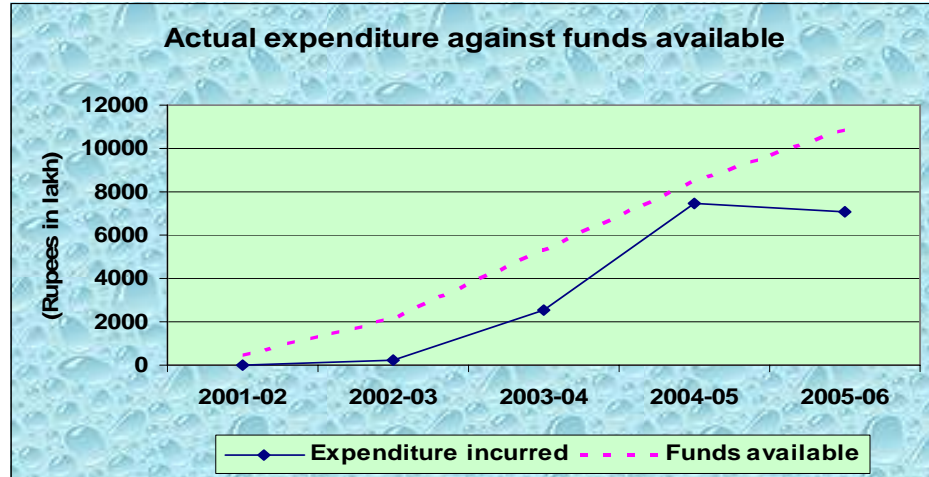
**Table No. 3.1.2**

| Year (along with the approved project cost) | Opening balance | Total funds released | Interest earned during the year | Total funds available for the year (col. no. 3 + 4) | Expenditure exhibited by SIS in various reports | Actual expenditure incurred during the year with percentage over total funds available | Closing balance after incurring actual expenditure (col. no. 5 - 7) |
|---|-----------------|----------------------|---------------------------------|---|---|--|---|
| <i>1</i>                                    | <i>2</i>        | <i>3</i>             | <i>4</i>                        | <i>5</i>  | <i>6</i>  | <i>7</i>   | <i>8</i>  |
| <i>(Rupees in lakh)</i>                     |                 |                      |                                 |   |   |  |   |
| 2001-02<br>(1047.95)                        | Nil             | 460.37               | Nil                             | 460.37  | 389.44  | Nil  | 460.37  |
| 2002-03<br>(1963.32)                        | 460.37          | 1717.18              | 1.35                            | 2178.90   | 495.72  | 229.39<br>(10.5%)  | 1949.51   |
| 2003-04<br>(5116.95)                        | 1949.51         | 3315.83              | 21.23                           | 5286.57   | 4598.22   | 2531.29<br>(47.9%)   | 2755.28   |
| 2004-05<br>(6256.00)                        | 2755.28         | 5670.84              | 32.52                           | 8458.64   | 5360.00   | 7486.27<br>(88.5%)   | 972.37  |
| 2005-06<br>(9428.15)                        | 972.37          | 9826.10              | 29.51                           | 10827.98  | 8144.22   | 7093.70<br>(65.5%)   | 3734.28 <sup>3</sup>  |
| <b>Total:</b>                               |                 | <b>20990.32</b>      | <b>84.61</b>                    | <b>22047.30</b>                                     | <b>18987.60</b>                                 | <b>17340.65</b>  |   |

**Source:** Information furnished by the State Implementation Society (SIS).

<sup>3</sup> State Project Director: Rs. 1634.20 lakh; District Project Co-ordinators: Rs. 182.79 lakh and Block Project Co-ordinators: Rs. 1917.29 lakh.

Chart No. 3.1.1



- Every year inflated expenditure figures were exhibited by the SIS on the basis of the amounts released. As a result, while Rs. 9.72 crore was actually lying unspent on 31 March 2005, the SIS exhibited it as Rs. 3.20 crore only in the information furnished to Audit.
- The reported expenditure of Rs. 81.44 crore as against the actual of Rs. 70.94 crore during 2005-06 would mean understatement of the actual closing balance by an amount of Rs. 10.50 crore (Rs. 81.44 crore – Rs. 70.94 crore).
- Rupees one crore was lying in Fixed Deposit (FD) account but was shown to have been spent during 2003-05<sup>4</sup> on “Innovation Project for Girl’s Education (Computer Education)”. The Government stated (September 2006) that the amount was kept in fixed deposit as it needed some time to finalise the agreement with NIIT and that the amount was being spent thereafter.

## Planning

### 3.1.10 Delays in preparatory activities

The essential activities preparatory to the launching of SSA were conducting workshops for the functionaries at the district, Sub-division and block level followed by intensive household and school survey, and preparation of District Elementary Education Plan (DEEP). The preliminary activities were required to be completed by March 2001 but the time schedule for the same was prepared in September 2001. The target for preparation of DEEP for 2001-02 was fixed for January 2002 i.e. only two months before the end of that year.

There were delays in the formation as well as functioning of SIS/DLEC/BLEC<sup>5</sup>/VEC/MTA and monitoring committee under local bodies due to lack of timely decision and policy formulation. The first meeting of the Executive Committee of the Mission was held in December 2001 to decide the formation of DLECs and BLECs. Although the DLECs were constituted in February 2002, they were practically made functional after being reconstituted

<sup>4</sup> Rs. 60.00 lakh during 2003-04 and Rs. 40.00 lakh during 2004-05.

<sup>5</sup> DLEC – District Level Education Committee.  
BLEC – Block Level Education Committee.

in October 2003 i.e. almost two years after the decision for their formation was taken. The BLECs were constituted in October 2003, while the constitution of VECs/MTAs and Monitoring Committees under Urban Local Bodies was completed between April 2002 and June 2003. Infusion of experts to provide support in specific functional areas, regular monitoring, supervision and appraisal activities were not made for adequate and timely development of the infrastructure.

Rupees 62.70<sup>6</sup> lakh received from the Government of India for preparatory activities during 2000-2002 were released by the State Government to the Education Department instead of the relevant committee of SSA, which was in contravention of the Government of India instructions.

Rupees 3.52 crore and Rs. 2.43 crore transferred to the four District Project Co-ordinators during 2004-05 and 2005-06 respectively, as the 6 per cent management cost towards infrastructure, were only partially spent (Rs. 1.59 crore and Rs. 1.73 crore respectively); however, inflated expenditure of Rs. 3.51 crore and Rs. 2.43 crore respectively was reported to the Government of India. Consequently, the staffing and organisation of training for the SSA functionaries was inadequate. There were also no sanctioned posts for qualified accounts/audit staff to ensure effective internal control.

### **3.1.11 Survey**

Prior to the commencement of the programme, a survey was required to be conducted covering all the households. But the first survey was not only delayed till the last quarter of the year of commencement i.e. 2001-02 but was also not conducted in accordance with the SSA framework. Even the number of households covered was not specified in the survey report of three<sup>7</sup> districts (out of four). No survey documents indicating methodology, formation of survey teams, period of conducting the survey were made available to Audit. Further, data relating to 'households without school', which is the basis for assessing the requirement of new schools, was not available.

### **3.1.12 Lack of community participation in the preparation of District Elementary Education Plans (DEEPs)**

The DEEPs for 2001-02 were prepared by the DEOs much before the formation of various education implementing committees (*viz.* DLECs, BLECs and VECs) resulting in lack of community participation at grass root level. As a result, the DEEPs suffered from inconsistencies in the data used and unrealistic projection of the needs.

Lack of sound initial planning delayed the implementation of the programme to a great extent and, as a result, although the inflow of funds commenced in 2001-02, the programme started in full swing only in 2003-04.

### **Programme Implementation**

#### **3.1.13 All habitations not covered by schools**

As of 31 March 2006, out of 7556 habitations, 1054 (14 per cent) were yet to have elementary education facilities, as shown in the following table:

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<sup>6</sup> Rs. 16.50 in 2000-2001; Rs. 46.20 lakh in 2001-2002.

<sup>7</sup> West Tripura, South Tripura and Dhalai District.



**Table No. 3.1.3**

| Name of the district | No. of habitations | No. of Primary Schools | No. of Upper Primary Schools | No. of Schools available at elementary level | No. of habitations covered by |             |             | No. of habitations not covered by Primary Schools/EGS |
|----------------------|--------------------|------------------------|------------------------------|--|-------------------------------|-------------|-------------|---|
|                      |                    |                        |                              |  | Primary School                | EGS         | Total       |   |
| <i>1</i>             | <i>2</i>           | <i>3</i>               | <i>4</i>                     | <i>5(3 + 4)</i>                              | <i>6</i>                      | <i>7</i>    | <i>8</i>    | <i>9</i>  |
| West Tripura         | 3040               | 686                    | 354                          | 1040   | 1642                          | 624         | 2266        | 774   |
| South Tripura        | 2338               | 634                    | 224                          | 858  | 1890                          | 320         | 2210        | 128   |
| North Tripura        | 1066               | 251                    | 271                          | 522  | 509                           | 532         | 1041        | 25  |
| Dhalai               | 1112               | 391                    | 153                          | 544  | 544                           | 441         | 985         | 127   |
| <b>Total:</b>        | <b>7556</b>        | <b>1962</b>            | <b>1002</b>                  | <b>2964</b>                                  | <b>4585</b>                   | <b>1917</b> | <b>6502</b> | <b>1054</b>   |

Source: Annual Plan documents of SSA Rajya Mission.

### 3.1.14 Schools opened with less than minimum students

As per the norms of SSA as well as the State, opening of new Primary School is permissible only in areas which have a minimum population of 300 (in plains) or 200 (in tribal areas) and have no school within one kilometre of the habitation. EGS centre at primary level could, however, be opened in an unserved habitation having no school within a radius of one kilometre, if at least 15 children in the age group of 6-14 years were available. In exceptional circumstances, EGS centre was allowed with 10 students.

In Dhalai and North Tripura districts, 11 new Primary schools were opened during 2003-05 with less than 10 students, and 36 teachers were deployed for 68 students, with a Pupil Teacher Ratio (PTR) of 2:1. Further, five more schools opened during 2003-05 had less than 15 students each with average PTR of 4:1. At the same time, 973 EGS centres opened in these two districts during the same period by engaging 973 Volunteer Teachers (VTs) had an average PTR of 32:1. Details of new primary schools opened during 2005-06 were not made available to Audit (July 2006).

The Government stated (September 2006) that initially the schools were opened in tribal areas and the norms could not be followed; however, the student strength had since improved due to increased participation.

### 3.1.15 Diversion of Rs. 2.30 crore to works not related to SSA

Out of Rs. 8.63 crore available in 2005-06 for construction of (i) 100 school buildings (Rs. 6.63 crore) (ii) 100 additional class rooms (Rs. 1.62 crore) (iii) Cluster Resource Centre and Block Resource Centre (Rs. 34 lakh), and (iv) IED (Rs. 3.60 lakh), Rs. 2.30 crore was irregularly advanced to the Tripura Housing Board (January 2006) and to the SCERT (December 2005) for construction of (i) Building of Directorate of School Education (Rs. 2 crore) and (ii) SCERT Building (Rs. 30 lakh), which were beyond the scope of SSA. In 2005-06, Rs. 4.78 crore were unauthorisedly spent on 'Major Repair' (Rs. 2.55 crore) and 'Furniture' (Rs. 2.23 crore), for which there was no provision in the funds allotted for that year. The Government stated (September 2006) that Rs. 2 crore was diverted for constructing the State Project office of the

SSA, as per the decision of the Executive Committee and that diversion of Rs. 30 lakh was for constructing additional classroom for teachers training.

### 3.1.16 'Out of School' children and dropout position

While 2003 was the target year by which all children of the age group 6-14 years should have been brought to school, 62,187 out of 6,24,814 eligible children of this age group remained out of school as per a survey conducted in December 2003. Thus, there was a shortfall of 9.95 *per cent* in achieving this basic target.

As of 31 January 2006, out of 6,71,398 eligible children, 17,305 (2.6 *per cent*) were "Out of school". The percentage of out of school children was higher (5.7 *per cent*) in Dhalai district, which has a predominantly ST population.

The number of "Out of school" children reduced considerably from 93,971 in December 2001 to 10,070 in December 2004. The number had been brought down to 5,162 but further drop-outs during 2004-05 and 2005-06 raised the figure to 17,305.

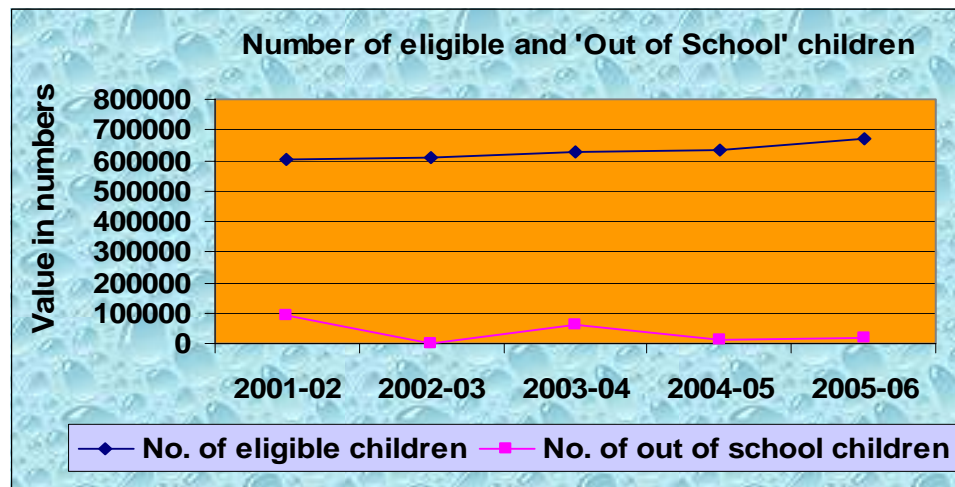
The number of 'Out of school' children during 2001-02 to 2005-06 were as under:

**Table No. 3.1.4**

| Year    | No. of eligible students in the age group 6-14 years | No. of 'Out of school' children as per survey | Month in which the survey was conducted |
|---------|--|---|---|
| 2001-02 | 6,00,168   | 93,971  | December, 2001                          |
| 2002-03 | 6,09,591   | Not available                                 | No survey was conducted                 |
| 2003-04 | 6,24,814   | 62,187  | December, 2003                          |
| 2004-05 | 6,35,978   | 10,070  | December, 2004                          |
| 2005-06 | 6,71,398   | 17,305  | December, 2005                          |

Source: Information furnished by the Department.

**Chart No. 3.1.2**



The drop-out was attributed (December, 2005) by the Mission to (i) poverty of the parents, (ii) engagement of children in wage earning, (iii) sibling care at home, (iv) parents' apathy, and (v) lack of awareness. This indicated that

while substantial progress was made in bringing the children under the SSA, their retention in the educational system continued to remain a challenge.

### 3.1.17 Shortage of teachers

Test-check revealed that as of March 2006,

- against the 29,938 sanctioned posts there were only 28,599 teachers in position. The vacancies were attributed by the State Project Director, SSA Rajya Mission, to non-finalisation of the recruitment policy to appoint teachers on fixed pay basis.
- only 25 per cent of the teachers were females, though the stipulation was to have 50 per cent of the teachers as females. The percentage declined from 30.72 in 2004-05 to 25.16 in 2005-06. The Government stated that it was trying to fill the gap.
- only 11,522 teachers (40 per cent) were trained.

### 3.1.18 Pupil Teacher Ratio (PTR): uneven distribution of teachers

In the academic year 2006, against 6,91,120 children enrolled in Class I to VIII, 28,599 teachers were available, corresponding to Pupil Teacher Ratio (PTR) of 24.16 : 1, which was within the permissible limit of 40 : 1 under SSA norms. However, out of 65 schools test-checked in July 2006, two schools had PTR upto 5:1, 55 above 5:1 and upto 30:1, one above 30:1 and upto 40:1 and the remaining seven above 40:1, the highest being 81:1. This indicated uneven distribution of teachers which needed to be reviewed at the Government level for appropriate action.

### 3.1.19 Non-adherence to norms regarding teaching staff

According to SSA norms, there should be no single-teacher school at primary stage. Audit scrutiny revealed the existence of 158 single-teacher Primary schools (West Tripura: 11; South Tripura: 46; North Tripura: 25 and Dhalai: 76) and 68 single-teacher Upper Primary schools (South Tripura: 1; North Tripura: 36 and Dhalai: 31) as of 31 March 2006. Further, 79 Upper Primary schools (West Tripura: 10; South Tripura: 16; North Tripura: 37 and Dhalai: 16) had less than the minimum requirement of three teachers per school.

The position had deteriorated in 2005-06 compared to 2004-05 as the following table shows:

**Table No. 3.1.5**

|   | 2004-05 | 2005-06 |
|---|---------|---------|
| Single teacher schools                      | 78      | 226     |
| Schools with teachers less than State norms | 1030    | 1548    |

**Source:** Information furnished by the Department.

The Government stated (September 2006) that single-teacher schools no longer existed in Tripura.

While the State norms require at least five teachers for each Primary school and eight teachers for each Upper Primary school, 1172<sup>8</sup> Primary schools and

<sup>8</sup> South Tripura: 430, West Tripura: 307, North Tripura: 181, and Dhalai: 254.

376<sup>9</sup> Upper Primary schools (excluding the single-teacher schools referred to above) did not meet this requirement.

### **3.1.20 Diversion of Rs. 2.46 crore towards teachers' salary**

The Mission diverted Rs. 2.46 crore (4 November 2003) from the SSA fund to the Government Account towards salary of 1350 teachers in Government schools, who were to be transferred to the primary and upper primary schools to be opened under SSA. Though the transfer order issued in November 2003 was later cancelled in January 2004, the amount had not been refunded by the State Government (July 2006). The Joint Director, SSA stated (September 2006) that the amount had been adjusted but no documents were traceable.

## **Infrastructure**

### **3.1.21 Shortage of class rooms**

As per SSA norms, there should be one room for every teacher or for every grade/class, whichever is lower, subject to a minimum of two class rooms with verandah for every Primary school.

Test-check of records of 65 sampled schools (July 2006) revealed that two schools (South Tripura: 1 and North Tripura: 1) had no pucca class room. Again, 20 schools (Primary: 4 and Upper Primary: 16) in four districts (West Tripura: 3; South Tripura: 7; North Tripura: 3 and Dhalai: 7) had less number of class rooms than the number of grades/classes. Although Rs. 13.78 crore<sup>10</sup> had been received for construction of 950 additional class rooms during 2003-06, only 778 classrooms were completed as of 31 March 2006.

### **3.1.22 Inadequate drinking water facilities for students**

Under SSA, all children in the age group of 6-14 years were to be provided with proper drinking water facilities in the schools.

Test-check of 65 sampled schools in July 2006 revealed that drinking water facilities were not available in nine schools. Out of 1177<sup>11</sup> schools targeted for providing drinking water facilities during 2003-06, in only 556 (47 per cent) had the work for provisions of these facilities been completed as of 31 March 2006 despite spending (Rs. 1.78 crore) against the allotted funds (Rs. 1.77<sup>12</sup> crore). The Mission attributed the shortfall to the inadequacy of the per unit cost (Rs. 15,000). No attempt was however made to propose an increase in unit cost.

### **3.1.23 Inadequate toilet facilities**

Toilet facilities were yet to be provided in all the schools. Test-check in 65 sampled schools (July 2006) revealed that 13 schools did not have toilet facilities. Out of 924<sup>13</sup> schools taken up during 2003-06 for constructing toilet facilities, only 609 (66 per cent) had been provided with the same as of

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<sup>9</sup> South Tripura: 109, West Tripura: 78, North Tripura: 138, and Dhalai: 51.

<sup>10</sup> 2003-04: Rs. 506.00 lakh; 2004-05: Rs.406.25 lakh and 2005-06: Rs. 465.75 lakh.

<sup>11</sup> 2003-04: 358, 2004-05: 191 and 2005-06: 628.

<sup>12</sup> 2003-04: Rs. 53.71 lakh, 2004-05: Rs. 28.65 lakh and 2005-06: Rs. 94.20 lakh.

<sup>13</sup> 2003-04: 400; 2004-05: 224 and 2005-06: 300.

31 March 2006, though the actual expenditure (Rs. 2.22 crore) had already exceeded the allotted funds of Rs. 2.21<sup>14</sup> crore.

### **3.1.24 BRC/CRC – non filling up of resultant vacancies**

As of 31 March 2006, 40 BRCs and 314 CRCs were constituted in the State and 872 resource persons (230 BRPs and 642 CRPs) were engaged from amongst the existing school-teachers; but no effort was made to fill the resultant vacancies of 872 regular teachers.

In June 2004, the Mission decided to engage at least four BRPs for each BRC and three CRPs for each CRC from amongst the retired graduate/post graduate teachers but further action was yet to be taken. As of July 2006, there was a shortage of 300 CRPs while records of the State Employment Exchange revealed the availability of 404 B.Ed.degree holders awaiting employment as of March 2006.

### **3.1.25 Early Childhood Care and Education (ECCE): non-utilisation of funds**

The objective of the ECCE was to lay the foundation of preparedness for primary education in the children under six years. Out of Rs. 1 crore allotted for this purpose during 2004-06, the SIS transferred only Rs. 72<sup>15</sup> lakh to the Director of Social Welfare and Social Education (DSW&SE) for implementation of the 'ECCE'. Information made available by the DSW & SE in July 2006 revealed that he had allotted only Rs. 30.45 lakh to 15 Child Development Project Officers (CDPOs) retaining the balance of Rs. 41.55 lakh since February 2006. As of September 2006, the DSW&SE had not submitted the utilisation certificates to the SIS. Failure to utilise the allotted funds indicated that the objectives of the scheme were largely unachieved.

### **3.1.26 National Programme of Nutritional Support for Primary Education (NPNSPE) or Mid Day Meal (MDM) as a supportive scheme**

Test-check in 65 schools (July 2006) revealed that MDM was provided in 62 schools and only three schools in North Tripura district were left out. During the academic year 2006, out of 5,51,610 students, 5,20,610 (94 *per cent*) were supplied cooked mid day meals.

It was noticed that 9,146.19 MT of rice was utilised to feed 5,20,610 children, as against the actual requirement of 12,911.12<sup>16</sup> MT to maintain the prescribed level of the quantity of the food, implying that the children were not provided adequate meals. No mechanism was developed to ascertain the calorie and protein contents of the food supplied.

Audit scrutiny also disclosed that the enrolment strength of 1436 primary schools (out of 3312 available in the State) was less than 100. This indicated that the wages of the cooks in those 1436 schools would be less than Rs. 10 per day (100 × 10 paise) as per the rate fixed by the Department, which was

<sup>14</sup> 2003-04: Rs. 76.00 lakh; 2004-05: Rs. 44.80 lakh and 2005-06: Rs. 100.00 lakh.

<sup>15</sup> 2004-05: Rs. 12.00 lakh and 2005-06: Rs. 60.00 lakh.

<sup>16</sup> Computed at 100 gm per child for 248 school-days per year as fixed by the Government.

far below the minimum wage fixed at Rs. 70<sup>17</sup> per day by the State Government under the Minimum Wage Act, 1948. This may pose problems in hiring cooks in smaller schools.

### 3.1.27 Quality of educational standards and research development

Pre-service training was started in 2005. The in-service training was being imparted to only a limited number of teachers because of low intake capacity of the training institutions. As of March 2006, only 7,152 (41.2 per cent) teachers at primary level and 4,370 (38.8 per cent) teachers at upper primary stage had been trained. In North Tripura and Dhalai districts, the percentage of trained teachers was 21.8 and 30.7 respectively, far below the State average. In the Annual Plan prepared by the SIS for 2006-07 a detailed action plan had been drawn up for training all the untrained teachers by 2007-08.

### 3.1.28 District Institutes of Education and Training (DIETs)

At present, there are four District Institutes of Education and Training (DIETs) in the four districts, apart from one State Council of Educational Research and Training (SCERT). The DIETs in the North Tripura and Dhalai districts were started in 2003-04 and 2004-05 respectively. During 2001-06, the DIETs were not strengthened to support the SSA, which is apparent from the declining number of teaching staff as shown in the table below:

**Table No. 3.1.6**

| Name of the district | Sanctioned strength | No. of teaching staff in position |           |           |           |           |
|----------------------|---------------------|-----------------------------------|-----------|-----------|-----------|-----------|
|                      |                     | 2001-02                           | 2002-03   | 2003-04   | 2004-05   | 2005-06   |
| West Tripura         | 19                  | 04                                | 06        | 6         | 15        | 9         |
| South Tripura        | 59                  | 11                                | 11        | 11        | 11        | 8         |
| North Tripura        |                     | Nil                               | Nil       | 2         | 10        | 8         |
| Dhalai               | 25                  | Nil                               | Nil       | 7         | 7         | 6         |
| <b>Total</b>         | <b>103</b>          | <b>15</b>                         | <b>17</b> | <b>26</b> | <b>43</b> | <b>31</b> |

Source: Information submitted by the respective DIET.

No measures were taken to assess the requirement or provide adequate number of teaching staff in the DIETs after launching of SSA in the State. No action plan was available on record for imparting teachers' training in a phased manner.

Upto the year 2004-05, the DIETs in the North Tripura and Dhalai districts did not conduct any training for teachers. During 2005-06, the DIET, Dhalai trained only 60 teachers. During 2002-06, the DIET in the South Tripura district, without fixing any specific target, imparted training to 1,371 teachers and 137 unemployed youth in the South Tripura district and 1,251 teachers in the West Tripura district.

### 3.1.29 State Council of Educational Research and Training (SCERT)

The SCERT was understaffed, and the men-in-position had been decreasing since the launching of SSA. The number of faculty members decreased from 12 in January 2001 to 9 in January 2005 and 7 in March 2006. The sanctioned strength was not made available to Audit.

<sup>17</sup> Published in Tripura Gazette April 2003 issue.

Under the SSA, SCERT was required to conduct training programmes for the key-persons responsible for effective implementation of SSA viz., (1) resource persons of BRCs and CRCs, (2) Headmasters/Asstt. Headmasters / Teachers in-charge, (3) Community leaders, (4) NGO personnel etc. Prior to 2005-06, there was no action plan / pre-fixed target for imparting training to specific number of trainees. During 2002-05, only 10 training programmes were conducted by SCERT for 291 trainees. During 2005-06, only 268 teachers were trained against the target of 440; and only 125 out of 568 resource persons in the BRCs and CRCs were imparted training as of March 2006 i.e. shortfall of 39 and 78 *per cent* respectively.

### **3.1.30 Research and evaluation through SCERT**

Rupees 5 lakh<sup>18</sup> sanctioned by the Mission for “Research and Evaluation” was spent by SCERT during 2003-04 for the purchase of four computers for day to day official use. No research paper was published by SCERT during 2001-06.

### **3.1.31 Evaluation at State/Government of India level**

The Mission did not arrange any evaluation of the implementation of SSA through any independent agency. The Government of India appointed a Reader of the Tripura University for monitoring and evaluation of SSA; the reports sent to GOI/State Government by him for the first quarter of 2004-05 revealed that community level monitoring was absent at village level. The Joint Director of the Mission stated (September 2006) that they were not aware of the findings.

### **3.1.32 Coverage of Special focus groups**

The special focus groups under SSA include Girls, Scheduled Castes (SC) and Scheduled Tribes (ST) and disabled children. The position with respect to these is discussed in the succeeding paragraphs.

### **3.1.33 Girls’ Education**

As per the survey conducted in December 2005, out of 3,24,087 girl students in the 6-14 years age group, the number of girls enrolled was 3,15,342; thus, 8,745 girls (2.7 *per cent*) were left out of school. The Government stated (September 2006) that by March 2006, further enrolment was made bringing down the percentage of the left out girls to 0.78 only. There was, thus, consistent progress in enrolment of girls for elementary education. Other provisions under SSA for promoting girls’ education were, however, yet to be implemented effectively, as detailed below:

### **3.1.34 Hostels for girls not constructed**

Under ‘Residential course for girls’ Rs. 3.20 crore was approved during 2002-06 for construction of four hostels, one for each district, out of which an expenditure of Rs. 1.90 crore was reported to the Government of India till March 2006 for construction of four hostels (2 for ST, 1 for SC and 1 for minority girl children). Only one of the hostels had, however, been completed as of July 2006, depriving the beneficiaries of the benefit even after five years of operation of SSA in the State (July 2006).

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<sup>18</sup> Rs. 2.00 lakh in 2002-03 and Rs. 3.00 lakh in 2003-04.

### 3.1.35 Computer Aided Learning

Rs. 51.55 lakh was spent on purchase of 52 computers for 52 identified schools. One of the computers was given to the District Education Office of North Tripura, without the approval of the Mission. None of the schools that were supplied the computer had a teacher, with knowledge of computers (as of July 2006).

### 3.1.36 Special social groups

The prominent special social groups in the State are Scheduled Tribes (31.1 *per cent*) and Scheduled Castes (17.4 *per cent*) as per the 2001 Census. The enrolment and retention rate in respect of these groups were comparatively lower, and gender gap high. In order to improve this situation, the following schemes, as provided under SSA framework, were taken up.

### 3.1.37 Supply of free text-books

During 2001-06, Rs. 22.89<sup>19</sup> crore was spent against an approved outlay of Rs. 30.58<sup>20</sup> crore for supply of free text books to the Girls, SC and ST students of Class I to VIII within the prescribed limit of Rs. 150 per student per year.

During 2001-04, Rs. 6.17 crore was paid in cash at the rate of Rs. 150 per student as Book Grant in place of free text books. In some cases, however, cash payment was made in addition to the supply of free text books for meeting the gap of Rs. 150. No specific decision of the Executive Committee of the Mission in this regard was available on record. It was also not clarified to Audit how the authorities satisfied themselves about the actual distribution of the sum to the intended beneficiaries and its proper utilisation by them.

In August 2004, the Mission decided to print the text books through the Tripura Board of Secondary Education (TBSE) (**Appendix XXI**). The following irregularities / deficiencies were noticed in this regard.

- The number of books printed by TBSE (7,70,190) was much more than the number of books requisitioned and even the number of students enrolled (all enrolled students were not eligible for free text books). This led to unauthorised expenditure of Rs. 1.26 crore (Rs. 5.32 crore *minus* Rs. 4.06 crore) (**Appendix XXI**). The Government stated (September 2006) that free text books were distributed to non-eligible boys belonging to general category also, keeping in view the large number of BPL families in the State.
- The number of books shown to have been distributed (6,71,757) was more than the total enrolment (6,54,850) of students, resulting in unjustified and unexplained expenditure of Rs. 13.74 lakh.
- 98,433 sets of books valued at Rs. 79.67 lakh remained undistributed at the Inspectorate level while TBSE had a stock valued at Rs. 60.19 lakh (2005), indicating lack of proper assessment of requirement. Even in 2006, books

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<sup>19</sup> 2002-03: Rs. 136.64 lakh, 2003-04: Rs. 480.55 lakh, 2004-05: Rs. 1000.53 lakh and 2005-06: Rs. 671.33 lakh.

<sup>20</sup> 2001-02: Rs. 412.08 lakh, 2002-03: Rs. 336.39 lakh, 2003-04: Rs. 663.33 lakh, 2004-05: Rs. 778.78 lakh and 2005-06: 867.71 lakh.

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valued at Rs. 8.20 lakh<sup>21</sup> were lying undistributed with TBSE (July 2006). Requisition for printing of text books on tribal dialects was not based on proper assessment of the requirement resulting in accumulation of stock of 30 items valued at Rs. 14.09 lakh<sup>22</sup> with TBSE as of March 2006.

- Against the approved outlay of Rs. 7.79 crore on 'free text books' for the year 2004-05, Rs. 10.01 crore was spent, resulting in unauthorized expenditure of Rs. 2.22 crore. Out of this, only Rs. 6.08 crore was paid to TBSE; the remaining amount (Rs. 3.93 crore) had been diverted to unrelated items like repairing/renovation works, purchase of furniture and paying previous year's book grants in cash.
- The SSA framework envisaged provision of free text books to ST students in their mother tongue, but the ST students were given text books in Bengali medium. As of March 2006, no training programme was conducted for making the non-tribal teachers conversant with tribal dialect, as required, accentuating the language problems for the students.

### 3.1.38 High dropouts

Although the SSA aimed at zero drop out by 2003, cohort analysis completed in December 2005 revealed 12,551 (17.18 *per cent*) and 21,431 (26.34 *per cent*) drop out at primary (I to V) and upper primary (VI to VIII) stages respectively, with the Dhalai district contributing the highest (25.90 and 31.67 *per cent* respectively). ST children had the highest drop-outs in the State viz., 5,371 (24.84 *per cent*) at primary stage and 7,646 (31.35 *per cent*) at upper primary stage, the incidence being highest again in Dhalai district (28.21 *per cent* in primary stage and 34.60 in upper primary stage).

The SPD, SSA Rajya Mission stated (November 2005) that action plans were being drawn to reach zero drop out in primary stage by 2007-08 and in elementary stage by 2008-09.

### 3.1.39 Repeaters

The percentage of repeaters both in primary and upper primary stages was high amongst SC and ST communities. In the South Tripura and the North Tripura districts, the percentage of repeaters was higher than the respective State averages as shown below:

**Table No. 3.1.7**

|               | Percentage of repeaters as per Cohort Analysis |       |                        |       |
|---------------|--|-------|------------------------|-------|
|               | In primary stage                               |       | In upper primary stage |       |
|               | SC   | ST    | SC                     | ST    |
| State         | 42.44  | 41.32 | 30.76                  | 36.77 |
| West Tripura  | 31.56  | 34.65 | 21.49                  | 37.19 |
| South Tripura | 47.81  | 43.70 | 48.70                  | 41.08 |
| North Tripura | 45.17  | 47.75 | 33.76                  | 36.52 |
| Dhalai        | 41.70  | 40.65 | 33.00                  | 33.50 |

**Source:** Report on Cohort Analysis conducted by the SIS.

<sup>21</sup> Old Books (43 items): Rs. 5.85 lakh and newly introduced books (4 items): Rs. 2.35 lakh.

<sup>22</sup> Old stock (21 items): Rs. 3.73 lakh ; Newly printed stock(23 items): Rs. 10.36 lakh.

There was no documented record of any investigation having been made to identify the reasons for the high percentage of repeaters specifically amongst SC and ST communities, to take remedial measures.

### 3.1.40 Integrated Education for the Disabled (IED)

Under the component 'Integrated Education for Disabled' (IED) every child with special needs (CWSN), irrespective of kind, category and degree of disability was required to be provided with education in an appropriate environment. However, under the direction of the Education (School) Department, Rs. 30.63 lakh was disbursed during 2002-04 in cash to children with 40 *per cent* or more disability; this was in contravention of the SSA guidelines that prohibited cash payment. The process was discontinued after 2004-05 and supportive infrastructure like ramps, friendly toilets etc. were being provided but no arrangement for providing books under braille system was made for visually impaired children.

As per the survey conducted in December 2004, the total number of disabled children identified was 11,777 but only 5,068 (43 *per cent*) of them had been enrolled in formal and / or alternative schools. The number increased to 6,489 in the survey conducted in 2005.

Expenditure of Rs. 70.86 lakh only was incurred out of Rs. 2.52 crore provided by the Government of India during 2001-06; however, an inflated figure of Rs. 1.65 crore was reported to Government of India as expenditure in the Progress Report sent upto March 2006. The inflation was due to the incorrect practice of treating mere placement of funds as expenditure.

The IED in the State, thus, was yet to be fully achieved.

### 3.1.41 Role of Non-Government Organisation (NGOs)

There was no significant role for the NGOs in the State as regards SSA activities. As of March 2005<sup>23</sup>, 24 NGOs were engaged in four districts (West Tripura: 15; South Tripura: 3; North Tripura: 2; Dhalai: 4) for running AIE centres. Both Education Guarantee Scheme (EGS) centres (run by individuals) and Alternative and Innovative Education (AIE) centres received funds from the respective Block Project Co-ordinators on receipt of the same from the District Level Authority.

The approved outlay, the funds placed and the expenditure incurred under EGS and AIE during the period 2003-06 were as under:

**Table No. 3.1.8**

*(Rupees in lakh)*

| Year         | Outlay         |               |                | Expenditure reported |               |                | Actual expenditure |     |               |
|--------------|----------------|---------------|----------------|----------------------|---------------|----------------|--------------------|-----|---------------|
|              | EGS            | AIE           | Total          | EGS                  | AIE           | Total          | EGS                | AIE | Total         |
| 2003-04      | 409.61         | 42.25         | 451.86         | 239.76               | 22.37         | 262.13         | 9.02               | Nil | 9.02          |
| 2004-05      | 409.32         | 42.26         | 451.58         | 409.32               | 42.26         | 451.58         | NA                 | NA  | 398.95        |
| 2005-06      | 583.39         | 49.79         | 633.18         | 492.96               | 42.07         | 535.03         | NA                 | NA  | 346.05        |
| <b>Total</b> | <b>1402.32</b> | <b>134.30</b> | <b>1536.62</b> | <b>1142.04</b>       | <b>106.70</b> | <b>1248.74</b> | -                  | -   | <b>754.02</b> |

Source: Information furnished by the Department.

<sup>23</sup> Position as of March 2006 not made available to Audit.

Against an approved outlay of Rs. 15.36 crore during 2003-06 (under EGS&AIE), an inflated expenditure of Rs. 12.49 crore was reported to Government of India (July 2006) as against Rs. 7.54 crore actually incurred. The inflated reporting was due to exhibition of mere placement of funds to the districts as expenditure incurred.

### **3.1.42 Failure in mainstreaming through EGS / AIE centres**

While the GOI as well as the SSA Rajya Mission guidelines provide that the feasibility of enrolment / mainstreaming of 'out of school' children into formal schools is to be explored first before deciding on the alternative arrangement (enrolment in EGS / AIE centres), it was seen in audit that less than 12 *per cent* of the 71,378 'out of school' children were enrolled in formal schools; 63,190 (88.53 *per cent*) children were enrolled in 1917 EGS and 194 AIE centres. Further, only less than 2 *per cent* (941 children) were mainstreamed from these informal schools (906 from EGS and 35 from AIE centres) into formal schools.

Thus, the mainstreaming of the children into formal schools was largely a failure, despite an expenditure of Rs. 7.17 crore being incurred on running the EGS and AIE centres as of 31 March 2006.

### **3.1.43 Monitoring**

Monitoring and supervision at the district, block, village and school level were vested with the respective Education Committee *viz* DLEC, BLEC, VEC and MTA. At the State and the National level, the monitoring was more on qualitative aspects of both the status and the implementation of the project and the progress made towards achievement of the SSA goals. These were required to be performed through Educational Management Information System (EMIS) and Project Management Information System (PMIS) respectively.

EMIS was not started until 2005-06. The accounts for 2005-06 did not, however, reflect any expenditure on EMIS. Till March 2006, no funds were made available for PMIS by the GOI. On research, evaluation, monitoring and supervision, against Rs. 1.62 crore approved during the three years from 2003-04 to 2005-06, only Rs. 96.55 lakh (including creation of assets of Rs. 35.56 lakh) was spent as per finalised accounts. Thus, monitoring did not reach the expected level.

At the National level, one Joint Review Mission (JRM) visited the State on one occasion (early 2005) for evaluation of the SSA activities. It was seen that in three out of four districts EMIS reports were not available and none of the 12 sampled blocks had formed any core team for effective implementation of the programme as per the requirement of SSA guidelines. No reports on any visit / supervision of any school by the BEOs were available on record. Six out of 12 sampled blocks had no records of any monitoring / evaluation of the programme being done at BEOs level.

Although the Executive Committee of the SSA Rajya Mission held 10 meetings during the last five years, there was a long gap of more than two years after the first meeting on 5 December 2001. The formal instructions regarding the responsibility at various levels in respect of monitoring and inspection were issued only in June 2005. This indicated lack of an adequate

and formal monitoring system during the first four years of the programme. Further, decision on some vital issues *viz.*, developing infrastructure for effective monitoring in the field e.g. for accounts and civil works, were badly delayed. An Accounts Officer and an Assistant Engineer for such purposes were appointed in the State Project Office only in June 2005 and January 2006 respectively. Accounts formats and works manual were also prescribed only in June 2006. Effective monitoring was also constrained by inadequacy of infrastructure, both at the State level and the decentralised levels of implementation.

#### **3.1.44 Conclusion**

The target of bringing all the children of the age group 6-14 to school by 2003 could not be achieved. This had the impact of delaying the achievement of the objective of completing five years of primary schooling by 2007 and eight years of upper primary education by 2010. Delay in planning, lack of adequate community involvement, inadequate teaching staff and lack of adequate training contributed to the failure to achieve the objectives. Delay in release of funds and in constituting various committees affected the implementation of scheme while diversion of funds to unrelated works affected the availability of funds for the core components of the scheme. Implementation of the scheme in the State also failed to achieve the target of zero dropout; the dropout rate continued to be significant ranging between 17 to 26 *per cent.*

#### **3.1.45 Recommendations**

- Adequate community involvement, duly documented, in the formulation and implementation of annual plans and timely availability of funds to the implementing agencies should be ensured.
- Diversion of SSA funds for unauthorized purposes should be scrupulously avoided.
- The large number of vacancies in the post of Resource Persons for the Block Resource Centres (BRCs) and Cluster Resource Centres (CRCs) as well as the dearth of trained teaching personnel should be reviewed in the light of the available unemployed B.Ed. degree holders in the State.
- The vacancies of regular teachers including posts falling vacant due to transfer of teachers as Resource Persons for BRCs and CRCs should be filled on priority basis.
- DIETs and SCERT should be strengthened to ensure effective and adequate training for teachers, Resource Persons, community leaders etc.
- Effective steps should be taken to provide toilet and drinking water facilities for the students in all the schools.
- Annual monitoring of the enrolment position of the children in the age group of 6-14 through the Village Education Register, Retention Register and Pupils' Progress Card should be made mandatory at the district level for correct reporting and timely intervention.
- An effective internal control and internal audit system should be instituted.

## PLANNING AND CO-ORDINATION DEPARTMENT

### 3.2 Non-Lapsable Central Pool of Resources (NLCPR)

*Established in 1998, the NLCPR aimed at speedy development of infrastructure projects in the North-Eastern States. In Tripura, 45 projects involving an expenditure of Rs. 741.03 crore were sanctioned by the Government of India. A review of six of these projects, involving expenditure of Rs. 123.45 crore, brought out significant deficiencies in the planning, implementation and monitoring of these projects, resulting in significant time and cost overrun, as well as poor financial management and discipline. Consequently, the delivery of intended benefits to the target groups was adversely affected.*

#### Highlights

**In the Tribal Area Development Project, under the major component of plantation of rubber in over 4000 acres of land, less than 40 per cent of the target was achieved. There was wrong reporting of expenditure to the tune of Rs. 2.43 crore and no information on the number of families that benefited from the plantation.**

*(Paragraphs 3.2.10 and 3.2.13)*

**23 Rubber Processing Centres were constructed at a cost of Rs. 2.32 crore much before the plantations whose produce was to be used in the centres. Thus, the expenditure remained unfruitful with the possibility of deterioration of the centres due to disuse.**

*(Paragraph 3.2.14)*

**175 schools were constructed at a cost of Rs. 13.13 crore without any toilets and drinking water facility, after changing the approved design without the approval of MoDONER.**

*(Paragraph 3.2.25)*

**While there was no cost overrun in respect of schools constructed by other agencies, the cost overrun in case of constructions done by PWD, amounted to Rs. 1.79 crore, of which Rs. 0.50 crore was funded by diversion from another project.**

*(Paragraph 3.2.26)*

**Unauthorised expenditure of Rs. 20.10 lakh was incurred by TTAADC on purchase of 'mats', not considered as school furniture.**

*(Paragraph 3.2.29)*

**The PWD diverted Rs. 15.53 crore, meant for 'Construction of New Capital Complex' towards works not related to NLCPR project.**

*(Paragraph 3.2.38)*

**Irregular expenditure of Rs. 30 lakh was incurred on land acquisition, not permissible as per NLCPR guidelines.**

*(Paragraph 3.2.42)*

**Unauthorised expenditure of Rs. 69.58 lakh was incurred on items not approved by MoDONER under the project 'Development of Tripura University'.**

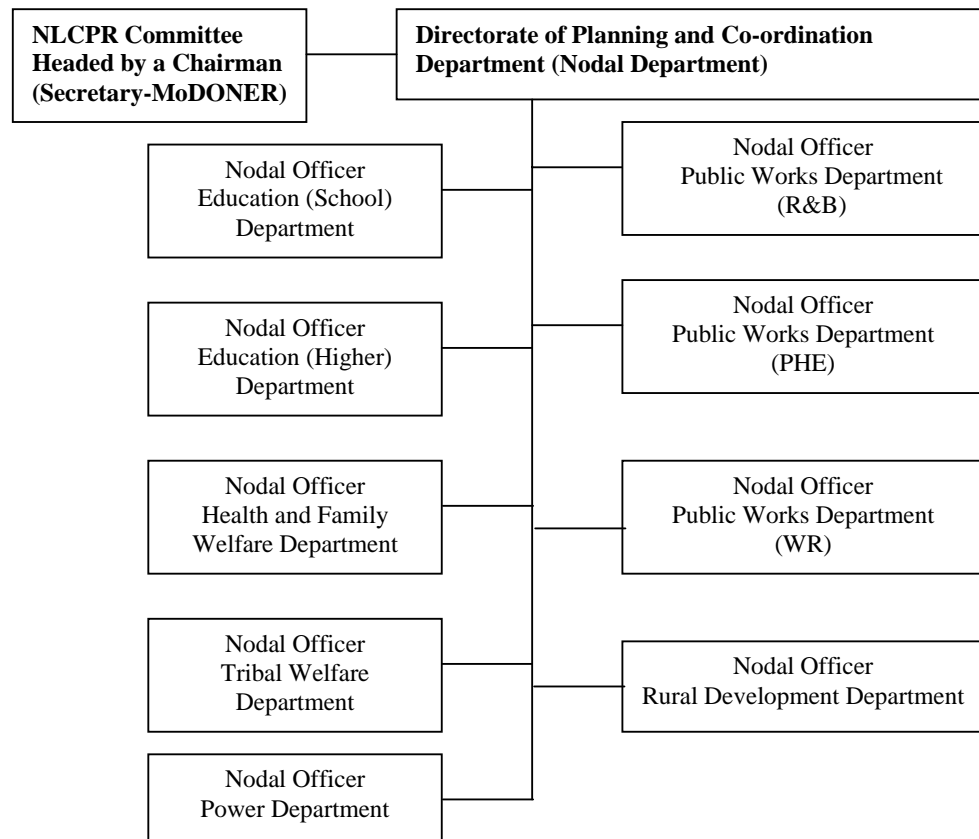
*(Paragraph 3.2.46)*

### 3.2.1 Introduction

The Non-Lapsable Central Pool of Resources (NLCPR) was established in 1998 for funding specific projects in the North Eastern States. The broad objective of the NLCPR is to ensure speedy development of infrastructure projects, such as Irrigation and Flood Control, Power, Roads and Bridges, Education, Health, Water Supply and Sanitation, by increasing the flow of budgetary financing. In Tripura, 45 projects involving 10<sup>1</sup> departments/organizations at a total cost of Rs. 741.03 crore were approved by the Ministry of Development of North-Eastern Region (MoDONER) during the period 1998-99 to 2005-06 (**Appendix XXII**). Of these, 22 projects involving Rs. 263 crore related to Power Sector; 22 projects, at an estimated cost of Rs. 339 crore, pertained to civil departments; and one project, with an estimated cost of Rs. 139 crore pertained to the Border Roads Organisation. This review covers six of the 22 civil projects.

### 3.2.2 Organisational set up

NLCPR is administered by the MoDONER through the ‘NLCPR Committee’ consisting of a Chairman (Secretary, MoDONER), five Members and one Member Convenor. In Tripura, the Directorate of Planning and Co-ordination is the Nodal Department which monitors the projects/schemes and submits all the project proposals, Quarterly Progress Reports (QPRs), Utilisation Certificates (UCs) and field Inspection Reports (IRs) to the MoDONER. An organogram is given below:



<sup>1</sup> Higher Education, School Education, Health and Family Welfare, Tribal Welfare, Power, PWD (R & B), PWD (PHE), PWD (WR), BRO & RD.

### 3.2.3 Scope of audit

Six out of 22 'civil' projects<sup>2</sup> (27 per cent), with an outlay of Rs. 123.45 crore (representing over 36 per cent of the estimated cost of Rs. 338.91 crore) were selected for the Performance Audit. The review was conducted during March-May 2006 by a test-check of the records of the Director of School Education; Principal Officer (Education), Tripura Tribal Areas Autonomous District Council (TTAADC); seven<sup>3</sup> Inspectors of Schools (out of 10); six<sup>4</sup> PWD Divisions (out of 13); SE, PWD; two<sup>5</sup> BDOs (out of eight); DM & Collector (West); four<sup>6</sup> SDMs (out of 14); Chief Executive Officer, TTAADC; Registrar, Tripura University; Executive Engineer (EE), Agartala Division V and EE-Capital Complex Division, Agartala for the period 1998-99 to 2005-06.

### 3.2.4 Audit Objectives

The audit objectives to review the performance of the selected projects were to:

- examine and evaluate the efficiency of planning for implementation of various components of the projects / schemes;
- assess whether the project activities were carried out as per specified norms;
- examine whether the requirement of funds was assessed properly for implementing the projects / schemes;
- assess whether speedy development of the infrastructure has been attained;
- assess whether expenditure incurred was commensurate with the physical achievement made against each component of the projects / schemes.

### 3.2.5 Audit Criteria

The following criteria were used to achieve the audit objectives:

- Project proposals, project reports and objectives of the selected projects / schemes.
- Conditions, norms and time frame for releasing the funds under the programme.
- Approved monitoring mechanism.

### 3.2.6 Audit Methodology

The audit commenced with an entry conference on 4 March 2006 with the Director of Planning & Co-ordination, the Nodal Department for implementation of the projects. The audit objectives, scope and criteria were explained. Test-check of records of the selected offices concerned with the

<sup>2</sup> 'Construction of 175 primary schools with provision of furniture', 'Upgradation of 25 Upper Primary Schools with provision of furniture', 'Tribal Area Development project', 'Development of Tripura University', 'Upgradation of R.K.Mission Vidyalaya at Agartala' and 'Construction of New Capital Complex'.

<sup>3</sup> I/S Sadar 'A', I/S Mohanpur, I/S Sonamura, I/S Dharmanagar, I/S Kailashahar, I/S Bishalgarh and Khumulwng (TTAADC).

<sup>4</sup> Agartala Division II, Agartala Division III, Agartala Division IV, Southern Division III, Northern Division and Kailashahar Division.

<sup>5</sup> BDO Mohanpur, BDO Melaghar.

<sup>6</sup> SDM Sadar, SDM Bishalgarh, SDM Sonamura and SDM Kailashahar.

selected projects was conducted between March - May 2006 with reference to the audit objectives and criteria and the information collected formed the basis of audit evidence and audit findings. Audit findings were discussed in the exit conference in June 2006 with the Director of School Education, Director of Tribal Welfare Department, Registrar of Tripura University, and Executive Engineer (EE), Capital Complex Division and their views/comments have been suitably incorporated.

### Audit Findings

These are discussed in the following paragraphs, project wise.

#### 3.2.7 Financial Arrangements

The funds are released to the State Government in the form of 90 *per cent* grant and 10 *per cent* loan. Effective from July 2004, 35 *per cent* of the project cost was released in the first instalment. Release of subsequent instalments depended upon the progress in the implementation. Funds released were to be transmitted by the State Government to the executing agencies within 30 days and were to be utilised within six months (raised to nine months from July 2004).

#### 3.2.8 Financial position

During 1998-99 to 2005-06, against the approved cost of Rs. 741.03 crore for the 45 projects, the GOI released Rs. 561.72 crore out of which Rs. 481.93 crore had been spent by the State Government (**Appendix XXII**).

As per the NLCPR Guidelines, the project duration should not exceed three-four years. Out of 34 projects, approved between 1998-99 and 2002-03, and due for completion by March 2005, only 16 projects were completed. The MoDONER, noted that this was due to delay in transmission of funds to the executing agencies, non-utilisation of funds within the stipulated period, slow progress of the projects etc. For the six projects reviewed, the GOI had released Rs. 110.39 crore out of the approved cost of Rs. 123.45 crore but the State Government had utilised only Rs. 85.69 crore as of March 2006, as shown in the following table:

**Table No. 3.2.1**

*(Rupees in crore)*

| Year         | No. of projects approved | Approved cost | Funds released | Expenditure incurred | Excess(+)/ Savings(-) |
|--------------|--------------------------|---------------|----------------|----------------------|-----------------------|
| 1999-2000    | 4                        | 88.65         | 12.50          | -                    | (-) 12.50             |
| 2000-01      | 2                        | 34.80         | 6.77           | 1.24                 | (-) 5.53              |
| 2001-02      | -                        | -             | 14.40          | 30.52                | (+) 16.12             |
| 2002-03      | -                        | -             | 34.44          | 13.93                | (-) 20.51             |
| 2003-04      | -                        | -             | 19.65          | 21.27                | (+) 1.62              |
| 2004-05      | -                        | -             | 6.18           | 16.12                | (+) 9.94              |
| 2005-06      | -                        | -             | 16.45          | 2.61                 | (-) 13.84             |
| <b>Total</b> | <b>6</b>                 | <b>123.45</b> | <b>110.39</b>  | <b>85.69</b>         | <b>(-) 24.70</b>      |

Source: Statement furnished by the Planning and Co-ordination Department.

The savings were mostly due to delay in release of funds by the MoDONER, State Finance Department, and the implementing department (*viz.* PWD) as well as the delay in execution of works. According to the norms, funds released by the Government of India must be transmitted to the executing



agencies within 30 days and should be utilised within six months (upto 6 July 2004) or nine months (after 6 July 2004) but the State Government took 2 to 16 months in transmitting the funds to the executing agencies, who in turn, took over 11 months to 54 months for their utilisation. All the six projects were yet to be completed.

### **Tribal Area Development Project (Tribal Welfare Department)**

#### **3.2.9 Introduction**

The project, approved by MoDONER in 2000-01 for Rs. 28.80 crore, aims at reducing the disparities between the tribals and others, by providing infrastructural facilities. Scheduled for completion by March 2005, it had been delayed for over a year (May 2006), with the major part of the project yet to be completed, as shown below:

**Table No. 3.2.2**

| Name of activity                    | Physical component |             | Financial component<br>(Rupees in crore) |             | No. of beneficiaries |                          |
|-------------------------------------|--------------------|-------------|--|-------------|----------------------|--------------------------|
|                                     | Target             | Achievement | Target                                   | Achievement | Target               | Achievement              |
| Rubber Plantation                   | 4000 ha            | 1544.29     | 20.00                                    | 7.20        | 4000 families        | No information furnished |
| Rubber Processing Centre            | 20 nos             | 23          | 2.00                                     | 2.32        | 4000 families        | -do-                     |
| Market Complex                      | 2000 units         | 1074        | 5.00                                     | 2.69        | 2000 youth           | -do-                     |
| Madhyamik Drop out coaching Centres | 60                 | 27          | 1.80                                     | 0.81        | 1500 students        | -do-                     |

**Source:** Statement furnished by the Department.

#### **Planning of the project**

##### **3.2.10 Location for Plantation and beneficiary families not identified**

One of the major components of the project is plantation of rubber over 4,000 hectares of land to benefit 4,000 Jhumia families. Although the identification of land for the plantation and the beneficiary families was a pre-requisite, the Department had not indicated these in the approved project. Audit scrutiny revealed that only 38.60 per cent of plantation was done in 1,544.29 ha of land as of March 2006. The Government attributed the shortfall to non-release of funds by MoDONER. The Department did not have the details of location where the remaining plantation would be done, as well as the families that would be benefited, though the Government stated later (October 2006) that the number of Jhumia families in the State needing rehabilitation and the land suitable for rubber plantation had been enumerated.

##### **3.2.11 Survey not conducted**

Although in the project report it was mentioned that a survey would be conducted before implementation of the project, no survey was conducted for identifying the location of Rubber Plantations, Rubber Processing Centres (RPCs), or coaching centres and for selecting the beneficiaries for the market

stalls. This resulted, to a great extent, in delay in implementation of the project.

## Financing

### 3.2.12 Delay in release and utilisation of funds

Though the NLCPR Guidelines envisage that the funds released by the GOI should be utilised within six to nine months (raised to nine months from 7 July 2004), out of Rs. 21.18 crore released during the six year period, only Rs. 16.04 crore (76 per cent) had been utilised by the Department. The balance fund of Rs. 5.14 crore was lying with the different implementing agencies as of March 2006.

The Director, Tribal Welfare (TW) stated that delay in receiving funds from the Finance Department was one of the factors for non-utilisation of funds in time. Analysis showed that while the funds should be transmitted to the implementing agencies within 30 days, the transmission of funds took 60 to 84 days from the Finance Department to the TW Department and 30 to 870 days from the TW Department to the implementing agencies, the total delay ranging from 30 to 900 days, as shown in the following table:

**Table No. 3.2.3**

| Funds released by Government of India |                          | Funds released by Finance Department to TW Department |                          | Time taken | Date of transmission to implementing agencies | Time taken          | Total time     | Permissible period | Delay        |
|---------------------------------------|--------------------------|---|--------------------------|------------|---|---------------------|----------------|--------------------|--------------|
| Date                                  | Amount (Rupees in crore) | Date  | Amount (Rupees in crore) |            |   |                     |                |                    |              |
| 30.3.01                               | 5.00                     | 29.5.01   | 5.00                     | 60 days    | Between 8/01 and 1/02                         | 90 days to 240 days | 150-300 days   | 30 days            | 120-270 days |
| 1.10.02                               | 10.00                    | 7.12.02   | 10.00                    | 60 days    | Between 12/02 and 5/05                        | Upto 870 days       | 60-930 days    | 30 days            | 30-900 days  |
| 16.3.05                               | 6.18                     | 10.6.05   | 6.18                     | 84 days    | Between 7/05 and 3/06                         | 30 to 270 days      | 114 - 354 days | 30 days            | 84-240 days  |
| <b>Total</b>                          | <b>21.18</b>             |   | <b>21.18</b>             |            |   |                     |                |                    |              |

Source: Information furnished by the Department.

## Implementation of the project

### 3.2.13 Rubber Plantation

#### 3.2.13.1 Wrongful reporting of expenditure to MoDONER

During the period from 2001-02 to 2005-06, Rs. 13.18 crore were advanced to the implementing agencies for rubber plantation over 2,636.04 hectare of land, out of which, Rs. 7.20 crore was spent on plantations over 1,544.29 ha of land leaving an unutilised balance of Rs. 5.98 crore as of 31 March 2006. However, in the Quarterly Progress Report of March 2006, the Department reported expenditure of Rs. 9.63 crore (Rs. 2.43 crore more than the actual expenditure) and the area of plantation was shown as 1,926.61 ha, which was 382.32 ha more than the actual. No information about the number of Jhumia families benefited, was indicated.

The Director stated (June 2006) that the matter had been taken up with the implementing agencies.

### **3.2.13.2 Unfruitful expenditure of Rs. 9.50 lakh**

The Department released Rs. 19 lakh<sup>7</sup> for Rubber Plantation over 38 ha of land to benefit 38 families of Dayarampara Rubber Producing Society (RPS) under Bishalgarh Sub-Division. The plantation done at a cost of Rs. 9.50 lakh was reported as destroyed due to extremist problem, while Rs. 3.15 lakh were utilised for land reclamation, fencing and gap filling etc. The balance of Rs. 6.35 lakh was lying in the RPS Bank Account (March 2006).

### **3.2.14 Construction of Rubber Processing Centre**

#### **3.2.14.1 Unfruitful expenditure of Rs. 2.32 crore**

The project consisted of construction of 20 Rubber Processing Centres (RPCs) at a cost of Rs. 2 crore (Rs. 10 lakh per unit), in the last year of activity, after the plantations were completed and the gestation period for the rubber plants was over, so that the produce could be used by the RPCs in time. But the Department constructed 23 RPCs, at a total cost of Rs. 2.32 crore during the period 2001-02 to 2003-04, much before the plantations were ready for use in the RPCs. The three excess RPCs at an extra cost of Rs. 30 lakh were constructed from State funds.

Thus, the expenditure of Rs. 2.32 crore on construction of the RPCs remained unfruitful as the plantations required for production of latex to be used by the RPCs were not yet ready. There was a possibility of deterioration of the centres due to disuse.

### **3.2.15 Construction of Market Stalls**

#### **3.2.15.1 Incorrect reporting**

During the period 2001-02 to 2005-06 the Department advanced Rs. 3.05 crore to 30 implementing agencies for constructing 1,220 market stalls. While the QPR of March 2006 reported construction of 1,181 stalls at a cost of Rs. 2.95 crore and allotment to 1,181 unemployed youths, audit scrutiny revealed that only 1,074 stalls were actually constructed at a cost of Rs. 2.69 crore and the balance amount of Rs. 0.26 crore was lying unutilised with various implementing agencies. Thus, the achievement was much below the target of constructing 2,000 stalls. Besides, the Department furnished location-wise details of only 521 stalls, raising doubts about the veracity of even these figures.

The Government stated (October 2006) that location-wise details of market stalls would be furnished on receipt from the implementing agencies.

### **3.2.16 Construction of Madhyamik drop out coaching centres**

#### **3.2.16.1 Use of coaching centres for other purposes**

The project made provision for constructing 60 coaching centres for Madhyamik drop out students, each at a cost of Rs. 3 lakh, to accommodate 30-50 students. Out of Rs. 1.80 crore released by the GOI, the QPR for

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<sup>7</sup> Rs. 9.50 lakh on 4.3.2003 and Rs. 9.50 lakh on 8.9.2005.

March 2006 showed expenditure of Rs. 1.14 crore for constructing 38 coaching centres. Audit scrutiny revealed that two coaching centres in Dasda Block, constructed at a cost of Rs. 6 lakh, were being utilised for other purposes: one as quarters for the Superintendent of the boys' hostel and the other as a school.

The Government stated (October 2006) that Dasda Block had been instructed not to use the centres for other purposes.

### **3.2.17 Lack of information about the beneficiaries**

Although the project was designed specifically to benefit at least 11,500 beneficiaries (Rubber Plantation: 4000 families; RPCs: 4000 families; Market stalls: 2000 youths; Madhyamik drop out students: 1500), the QPRs sent by the State Government to MoDONER as well as the Inspection Reports of the State Government, did not contain the details of the number of beneficiaries benefitted under the project. No information was available on the use to which even the partial infrastructure created under the project was put to, the number of beneficiaries benefiting from the project, and the quantum of benefits flowing to them.

## **Monitoring and Evaluation**

### **3.2.18 Inadequacy of Monitoring and Evaluation**

Very little monitoring was done for utilisation of the funds and the implementation of the project in time, as a result of which a substantial portion of the funds was lying unutilised with the implementing agencies since 2001-02, which affected the implementation of the project adversely. The Department did not prepare the Task Appraisal Programme and Activity Sequencing Chart, which made monitoring even more difficult. A reputed NGO from outside the State was to be engaged to evaluate the implementation of the project, but this was not done. The Department also did not furnish detailed reports of the field inspections conducted from time to time, and had confined itself to only pursuing the submission of utilisation certificates by the implementing agencies.

## **Construction of 175 primary schools with provision of furniture (Education (School) Department)**

### **3.2.19 Introduction**

The project, approved by MoDONER in March 2000, aimed at constructing 700 primary schools at a total cost of Rs. 57.75 crore. The scheduled date of completion of the first phase of work, aimed at constructing 175 schools at a cost of Rs. 14.44 crore, was March 2001. The executing agencies were State PWD (90 schools), Rural Development Department (31 schools) and Tripura Tribal Areas Autonomous District Council (54 schools). The implementation of the first phase had been delayed for over five years and only 170 schools had been completed (March 2006), partly due to changes in school sites and implementing agencies and partly due to delay in release of funds. As a result of non-completion of five schools, 625 potential students were deprived of the intended benefits.

## Planning

### 3.2.20 Survey not conducted

No survey was conducted by the School Education Directorate before forwarding the project to the MoDONER for approval. This caused repeated changes of names and locations of the selected schools, which was responsible to a great extent for delay in completing the project. The Director of School Education (DSE) stated (15.6.2006) that a 'Social Survey' was conducted through the village panchayats. However, no documentation in this regard was available. In any case, the 'Social Survey' did not seem to have made a difference, as was evident from the many changes made to the names and locations of the schools.

### 3.2.21 Parallel projects/schemes not identified

Identification of projects/schemes with identical objectives, necessary to avoid overlapping with similar components of other project/schemes, was not done by the Directorate. The schools were selected by the District Education Officers and the TTAADC with the approval of the concerned Zilla Parishad. As a result, names and locations of 49 primary schools were changed because of overlapping with schools simultaneously taken up under Sarva Shiksha Abhiyan (SSA) and Sampurna Gramin Rojgar Yojana (SGRY).

## Financing

### 3.2.22 Delay in transmission of funds

The first instalment of funds (Rs. 7.25 crore) was released by MoDONER on 18 June 2001. The transmission of funds from the Finance Department to the implementing department, however, took two months 11 days against the permissible period of 15 days, as per the detailed project report.

### 3.2.23 Funds not utilised in time

According to NLCPR Guidelines funds released by the GOI should be utilised within six months (revised to nine months from 7 July 2004), but the Department failed to utilise the funds in that time frame. The following table shows that the funds released between 2001-02 and 2003-04 could not be utilised in full even in five years (May 2006):

**Table No. 3.2.4**

*(Rupees in crore)*

| Year         | Funds released | Expenditure incurred | Excess (+)/ Savings(-) |
|--------------|----------------|----------------------|------------------------|
| 2001-02      | 7.25           | 5.41                 | (-)1.84                |
| 2002-03      | 3.44           | 1.67                 | (-) 1.77               |
| 2003-04      | 3.74           | 5.11                 | (+) 1.37               |
| 2004-05      | -              | 2.02                 | (+) 2.02               |
| 2005-06      | -              | 0.15                 | (+) 0.15               |
| <b>Total</b> | <b>14.43</b>   | <b>14.36</b>         | <b>(-) 0.07</b>        |

**Source:** Statement furnished by the Planning and Co-ordination Department.

## **Implementation of the project**

### **3.2.24 Delay in implementation of the project**

According to the Quarterly Progress Report of March 2006, construction of 170 schools was completed and that of five was in progress as of the end of the quarter. The execution of works by the executing agencies took over 11 months to 49 months, which resulted in overall delay of over 5 to 43 months in completing the works, after taking into account the delay in transmission of funds.

The DSE stated (June 2006) that the delay was partly due to change of schools, site location and change of implementing agencies and partly because of delay in release of funds by MoDONER.

### **3.2.25 Change in approved design**

The estimate approved (March 2000) by the MoDONER was for Rs. 7.50 lakh per unit which included two toilets – one each for the boys and the girls and drinking water facility. Shortly thereafter, the Engineer-in-Chief, PWD, revised (July 2000) the estimate to Rs. 11.23 lakh, which was not accepted by the DSE because of the cost ceiling. The Engineer-in-Chief and the DSE then decided (March 2001) to construct the buildings without the toilets and drinking water facility and by reducing the size of the rooms, without seeking the approval of MoDONER for the change in specification. Thus, 175 schools constructed at a cost of Rs. 13.13 crore did not have the basic facilities of toilets and drinking water.

### **3.2.26 Cost overrun funded by diversion of funds**

The school buildings (175 nos) were constructed by three agencies viz., State PWD (90 nos), TTAADC (54 nos) and Rural Development Department (31 nos). Although there was no cost escalation in the constructions done by TTAADC and RD Department, the construction costs varied between Rs. 7.68 lakh and Rs. 13.28 lakh (2.4 to 77 per cent higher than the approved cost) in respect of 50 buildings constructed by the State PWD. It was seen that the cost escalations were mainly due to extra expenditure of Rs. 1.79 crore<sup>8</sup> on site development and foundations of the buildings. This indicated that site conditions were not properly assessed through survey before making the project proposals. To part finance this escalation, Rs. 50 lakh was diverted (December 2002) from the funds meant for the New Capital Complex at Agartala. Approval of MoDONER was not obtained for this diversion.

### **3.2.27 Irregularities in the distribution of furniture worth Rs. 20.97 lakh**

The project included provision of furniture worth Rs. 0.75 lakh to each school approved by MoDONER. Out of the provision of Rs. 1.31<sup>9</sup> crore, furniture worth Rs. 20.97 lakh was diverted to 139 schools not covered under the

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<sup>8</sup>

|   |   |            |
|---|---|------------|
| Expenditure incurred by PWD for construction of 90 school | = | 8.56 crore |
| Funds received from the DSE                               | = | 6.77 crore |
| Extra expenditure   | = | 1.79 crore |

<sup>9</sup> Rs. 0.75 lakh each for 175 schools.

project, by six<sup>10</sup> Inspectors of Schools (IS). As a result, 22 eligible schools did not get any furniture and 31 schools got only a part of the furniture meant for them.

It was seen from the reply (June 2006) of the Inspector of Schools, Dharmanagar, that some of these schools did not have any requirement of furniture; yet funds were allotted to them for furniture that was later diverted to other schools.

### 3.2.28 Excess release of Rs. 6 lakh for furniture

The DSE released Rs. 30 lakh (Inspector of Schools, Sonamura Rs.18.00 lakh and Inspector of Schools, Dharmanagar Rs. 12 lakh) against the requirement of Rs. 24 lakh (Sonamura: Rs. 12.75 lakh and Dharmanagar: Rs. 11.25 lakh) for furniture. Both the Inspectorates, instead of surrendering the excess funds (Rs. 6 lakh), purchased and distributed furniture to 70 (21 in Sonamura, 49 in Dharmanagar) schools outside the approved list.

### 3.2.29 Unauthorised expenditure of Rs 20.10 lakh

The Principal Officer (Education), TTAADC purchased (October 2004) 38,845 'mats' at a cost of Rs. 16.75 lakh out of funds meant for furniture for 45 entitled schools of 16 Inspectorates. In addition, two Inspectorates (Ambassa and Jampuijala) purchased (2001-02) 1,770 mats (Ambassa- 600 and Jampuijala –1170) from the open market at a cost of Rs. 3.35 lakh (Ambassa: Rs. 1.14 lakh and Jampuijala: Rs. 2.21 lakh).

The DSE stated (June 2006) that mats were purchased as wooden furniture is difficult to transport to remote localities. The reply is not tenable, as wooden furniture was also issued to the schools to which mats were issued, and the Delegation of Financial Powers Rules do not include 'mats' as school furniture. Thus, the purchase of mats worth Rs. 20.10 lakh (Rs. 16.75 lakh plus Rs. 3.35 lakh) in lieu of classified school furniture was not authorised.

### Upgradation of 25 upper primary schools with provision of furniture (Education (School) Department)

### 3.2.30 Introduction

The project for construction/upgradation of 100 upper primary schools,<sup>11</sup> with provision of furniture at a cost of Rs. 14.75 crore, was phased for four years. The project aims at decreasing the drop out ratio at elementary stage, increasing retention and improvement in quality education. MoDONER approved (March 2000) construction/upgradation of 25 schools at a cost of Rs. 3.69 crore for the first year of the project, for completion by March 2001. As of March 2006, expenditure of Rs. 3.34 crore had been incurred. However, construction of one school and distribution of furniture to 12 schools was yet to be completed due to non-receipt of funds from the GOI.

<sup>10</sup> I/S Sadar 'A', I/S Sonamura, I/S Dharmanagar, I/S Kailashahar, I/S Bishalgarh and Khumulwng (TTAADC).

<sup>11</sup> Construction of 10 room school building, provision of toilets for both boys and girls separately, drinking water facility and class room furniture.

## **Planning**

### **3.2.31 Survey**

No survey was conducted by the School Education Directorate before forwarding the project to the MoDONER, which caused repeated change of names and locations of the selected schools and led to delay in completing the project. While admitting the fact, the DSE stated that a 'Social Survey' was conducted through the village panchayats, but no documentation to this effect was made available.

## **Financing**

### **3.2.32 Delay in release of funds**

The first instalment of funds was released by the GOI on 18 June 2001. The delay in transmission of funds from the State Government to the implementing agencies ranged from nearly 2 to over 16 months.

## **Implementation**

### **3.2.33 Time overrun**

The executing agencies took 14 months to over 54 months to complete the work against the permissible period of six months leading to overall delays of 8 to 48 months in construction of school buildings. The DSE stated (June 2006) that the delay in completing the works was partly due to change of schools, site location and change of implementing agencies and partly because of delays in release of funds by MoDONER.

### **3.2.34 Schools constructed without toilet and drinking water facilities**

The approved unit cost of Rs. 14.75 lakh, as per the first estimate prepared in March 2000 by the School Education Directorate, included construction of 10 rooms, two lavatory blocks - for girls and boys separately, and a tubewell at a cost of Rs. 13.75 lakh. Soon after the approval of the project, the State PWD revised the estimate of civil works to Rs. 18.89 lakh (December 2000) and, to restrict the cost to the approved amount, the Chief Engineer, PWD and the DSE decided (March 2001) to reduce the size of the rooms and exclude the lavatory blocks and the tubewell. Prior approval of MoDONER for the change in design and cost was not obtained. Thus, the schools were constructed without the drinking water and toilet facilities.

### **3.2.35 Furniture distributed to schools before completion and handing over of new building**

Despite instructions of the DSE that furniture should be distributed only after completion of school buildings, furniture was distributed to 11 schools, 2 to 52 months before completion and handing over of the buildings. Although the dates of purchase and distribution of furniture were indicated in the UCs sent to the Directorate, no action in this regard was taken by the DSE, which indicated lack of monitoring.



### **New Capital Complex at Agartala (Public Works Department)**

#### **3.2.36 Introduction**

The project 'New Capital Complex at Agartala' consists of 17 components, at an estimated cost of Rs. 216 crore, of which Rs. 50 crore was provided by the GOI under the NLCPR in November 1999. The other sources of funds were the 11<sup>th</sup> Finance Commission award and State resources. The NLCPR funds were meant to part finance the construction of the Assembly, Secretariat, High Court and State Guest House buildings, among others.

#### **Financing**

#### **3.2.37 Delay in release of funds**

There was considerable delay in the transmission of funds from the Government of Tripura to the executing agencies, the time taken ranging from 22 days to over 14 months (**Appendix XXIII**), despite the NLCPR guidelines that the State Government should transmit the funds to the executing agency within 30 days of the date of release by the Government of India.

#### **3.2.38 Diversion of funds for other purposes**

The State Finance Department released Rs. 48.17 crore to the Public Works (PW) Department between September 2000 and December 2005 without specifying the name of the work for which the allocation of funds was being made. This left scope for diversion of funds. As of 31 March 2006, out of Rs. 48.17 crore, the PW Department had released Rs. 35.72 crore<sup>12</sup> and the balance amount of Rs. 12.45 crore remained unutilised. The amount released by the PW Department included Rs. 15.53 crore released to 15 divisions that were in no way related to the implementation of the project 'New Capital Complex' (**Appendix XXIV**). This amount was utilised by these divisions mainly for clearance of Cash Settlement Suspense balances and executing other works.

The Government stated (October 2006) that the diverted amount had since been replenished by an equivalent amount of steel, but no details were furnished.

#### **3.2.39 Wrongful exhibition of expenditure in Utilisation Certificate**

After the diversion of Rs. 15.53 crore to unrelated executing agencies, as stated in the preceding paragraph, the executing agencies were left with only Rs. 20.19 crore (**Appendix XXV**) out of Rs. 35.72 crore released by PWD. However, the Nodal Officer submitted utilisation certificates to the Nodal Department (Director, Planning and Co-ordination Department of the State Government) for Rs. 31.71 crore for onward transmission to MoDONER, thus overstating the actual expenditure and the related progress of work.

#### **3.2.40 Implementation**

The implementation of the project was initially undertaken by the Executive Engineer, Agartala Division No. V. After June 2001, Executive Engineer,

<sup>12</sup> Capital Complex Division: Rs. 1117.00 lakh; Stores Division: Rs. 552.36 lakh; Agartala Division V: Rs. 350.00 lakh and 15 other Divisions: Rs. 1552.65 lakh.

PWD, Capital Complex Division, Kunjaban has been implementing the project.

#### **3.2.41 Time overrun**

None of the four buildings<sup>13</sup> taken up for construction was completed (June 2006). The scheduled dates of completion for the Assembly Building (13 April, 2004) and the Secretariat Building (25 October 2004) had expired long back. The delay was attributed (May 2006) by the Executive Engineer, Capital Complex Division to non-availability of material like cement, stones etc., although the supply of these material was the responsibility of the contractors and not of the PWD. The Department imposed penalties on the contractors for the delays but allowed provisional time extension for both the works upto 31 March 2007 as per provision of the agreements with the contractors.

The High Court Building was scheduled to be completed by 19 June 2006, but all the works except the foundation of the main building were in progress as of this date. The delay was attributed mainly to inadequacy of the labour force, which the contractor had been asked to increase.

There was inordinate delay in commencement of the construction of the State Guest House. The project was approved in November 2000 but the tender was finalised only in October 2003. The selection of the site was made in a disputed land on which there was a stay order during a brief spell from 12 August to 20 September 2003. However, even after the finalisation of the tender in October 2003, the work started only in May 2004.

The Government stated (October 2006) that, based on high level monitoring and review, the contract had since been rescinded.

#### **3.2.42 Irregular expenditure of Rs. 30 lakh**

Scrutiny of records of the Executive Engineer, Agartala Division V revealed that during the year 2000-01, an amount of Rs. 30 lakh was advanced to the Land Acquisition Collector, West Tripura for acquisition of land for the New Secretariat building in contravention of the NLCPR guidelines, according to which expenditure on land acquisition was not permissible.

The Government stated (October 2006) that the amount would be replenished from the State Budget during 2006-07.

### **Development of Tripura University (Education (Higher) Department)**

#### **3.2.43 Introduction**

The project “Development of Tripura University”, approved at a total cost of Rs. 20.50 crore, consisted of 25 components (24 constructions for Rs. 20.26 crore, and supply of furniture, equipment, computer etc. for Rs. 0.24 crore) was to be started in October 1999 and completed in three phases by 31 March 2004. The State PWD (Agartala Division V) was the executing agency for all the constructions.

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<sup>13</sup> Assembly building, Secretariat building, High Court building and State Guest House building.

### 3.2.44 Financing

Government of India (MoDONER) released Rs. 20.52 crore against the approved cost of Rs. 20.50 crore during the period 1999-2000 to 2003-04. As of March 2006, the University had utilised the entire amount as under.

**Table No. 3.2.5**

| Mode of utilisation  | Amount<br>(Rupees in crore) |
|--|-----------------------------|
| Funds released to Executive Engineer, Agartala Division V                        | 17.66                       |
| Funds released to Executive Engineer (Elect. Division) Bishalgarh and Gokulnagar | 0.26                        |
| Funds spent for purchase of furniture, equipment and computer                    | 2.60                        |
| <b>Total</b>   | <b>20.52</b>                |

The amount spent on furniture etc. (Rs. 2.60 crore) was far in excess of the approved amount of Rs. 0.24 crore, which affected the availability of funds for other components of the project.

Against the requirement of Rs. 19.28 crore for the civil constructions part, as per originally approved plan, the Executive Engineer, Agartala Division V was allotted only Rs. 17.66 crore. As of March 2006, the Executive Engineer had incurred expenditure of Rs. 18.58 crore, which was in excess of the funds placed with him (Rs. 17.66 crore) by Rs. 91.43 lakh. This was mainly due to the expenditure on unapproved items as discussed in paragraph 3.2.46.

### Implementation

#### 3.2.45 Cost overrun and incomplete works

Out of 24 items taken up for construction, only 14 were completed and handed over to the University (March 2006). Seven works were still in progress, and in respect of two works funds had been placed with PHE / Electrical Division for water supply / electrical works. One work was not taken up as per a subsequent decision of the University. Thus, nine items remained incomplete despite incurring excess expenditure of Rs. 91.43 lakh. It was seen that the reporting of the progress to the Nodal Department by the Executive Engineer was not being done regularly and the last QPR and UC were sent upto March 2004 only.

#### 3.2.46 Expenditure on unapproved items

Rupees 69.58 lakh was spent by Executive Engineer, Agartala Division V on four items<sup>14</sup> not included in the approved project, on instructions from the University, which accounted for bulk of the excess expenditure of Rs. 91.43 lakh. No approval of MoDONER was taken.

#### 3.2.47 Sanction given for expenditure in excess of approved cost

While the approved cost of the components to be executed by the Executive Engineer was Rs. 19.28 crore, the Administrative Approval and Expenditure Sanction accorded by the University for the project was for Rs. 21.14 crore,

<sup>14</sup> (1) RCC permanent bridge (Rs. 42.27 lakh), (2) Additional floor on the existing building of physics and computer (Rs. 10.42 lakh), (3) Vertical extension of 1<sup>st</sup> floor of Economics Building (Rs. 15.65 lakh) and (4) Hoarder for postering (Rs. 1.24 lakh).

which exceeded the project cost by Rs 1.86 crore. However, the funds provided to the Executive Engineer amounted to only Rs. 17.66 crore. The University did not indicate any funding arrangement for the additional funds required (Rs. 3.48 crore) but, on this being pointed out in audit, stated that the fund requirement would be met from UGC grants/State funds received in future.

### **3.2.48 Unauthorised expenditure**

Against the approved cost of Rs. 0.24 crore for supply of furniture, equipment, computers etc., Education (Higher) Department accorded sanction for Rs. 1.97 crore during 2002-05 which was Rs. 1.73 crore higher than the approved amount of Rs. 0.24 crore. However, the actual expenditure by the University was even higher than this amount (Rs. 2.60 crore). Thus, there was an unauthorised expenditure of Rs. 2.36 crore. Sanction / orders of the competent authority for incurring the excess expenditure was not made available to Audit. This was in violation of the NLCPR guidelines.

### **3.2.49 Guest House constructed at a cost of Rs. 1 crore remained unutilised**

The work 'Guest House' was completed in June 2005 at a cost of Rs. 93.58 lakh but there was delay of more than eight months in handing over the building to the University (February 2006) and that too without internal electrification, which was completed in March 2006 at a cost of Rs. 6.65 lakh. The building had not been put to use reportedly for want of electricity-connection (September 2006). Thus, the expenditure of Rs. 1 crore incurred on the work had remained unfruitful.

### **3.2.50 Monitoring and Evaluation**

The project envisaged Six Monthly Reviews by an Independent Supervision Mission from the MoDONER, for taking mid-course correction measures. Only four<sup>15</sup> reviews out of 14 due were conducted during the period 1999-2006. The first Six Monthly Review Meeting by MoDONER was held in July 2003, over five years after the approval of the first project in the State (Transmission Scheme- 14 projects) in 1998-99. Subsequent reviews were also not held at the stipulated periodicity of six months. Likewise, the State Government was also required to hold quarterly review meeting under the Chief Secretary. However, only six<sup>16</sup> such meetings, out of 28 due, were held during the period 1999-2006. The first meeting of the State Level Monitoring Committee was held in December 2002, four years after the approval of the first project in 1998-99. In the absence of periodic review meetings, monitoring and implementation of the programme were adversely affected.

### **3.2.51 Conclusion**

The advantages of targeted funding from Government of India for speedy development of the infrastructure projects were lost to a great extent, due to inadequacies in the planning and implementation process and monitoring, leading to significant time overruns. None of the projects could be completed within the stipulated time frame because of delays in transmitting of funds by the State Government to the implementing agencies and further delays by the

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<sup>15</sup> Dated 9.7.03, 4.11.03, 10.11.04, 15.9.05.

<sup>16</sup> Dated 2.12.02, 24.3.03, 22.8.03, 29.10.03, 25.6.05 and 21.11.05.

implementing agencies in executing the works. Many projects were delayed beyond five years, while even the sites and beneficiaries for many rubber plantations were not identified. Expenditure incurred on unauthorised and unapproved items, deviation etc, without approval of the competent authority, indicated absence of financial discipline and control, which was accentuated by inadequate review and monitoring at the State and Central levels. As a result, most of the projects were incomplete and the delivery of the intended benefits to the target groups was either delayed or was only partial. There is an urgent need to strengthen the administrative machinery in so far as the skills related to programme delivery and capacity to undertake projects are concerned, and enforce financial discipline among the programme/project managers.

### **3.2.52 Recommendations**

- Monitoring and supervision of the projects should be strengthened at all levels.
- The implementing Departments should carefully scrutinise the utilisation certificates on a regular basis to ascertain the end use of funds for timely and effective interventions in case of deviations.
- Effective steps should be taken to stop incorrect reporting.
- Effective steps should be taken to transmit and utilise the funds within the stipulated period.
- Co-ordination among various implementing agencies working under the same project should be strengthened to ensure proper implementation of the projects.
- The planning process should be strengthened and a system of accountability should be enforced for arbitrary and unexplained deviations.

## PLANNING AND CO-ORDINATION DEPARTMENT

### 3.3 Bidhayak Elaka Unnayan Prakalpa (BEUP)

*The scheme was introduced in 2001-02 for undertaking works of developmental nature, based on locally felt needs and leading to creation of durable assets. The objectives of the scheme could not be achieved fully due to non-utilisation of significant amount of funds, short release of funds to the SDMs, delay in sanctioning works and expenditure on inadmissible works. There were deficiencies in the control and monitoring system, notably, the registers of assets created were not being maintained making it susceptible to malpractice.*

#### Highlights

**Funds available were not fully spent. During 2001-02 to 2005-06, Rs. 18.37 crore was released for the scheme, of which only Rs. 15.07 crore (82 per cent) was spent upto March 2006.**

*(Paragraph 3.3.8)*

**In the light of large amounts drawn on AC Bills that remained unadjusted for want of the corresponding DCC bills, the authenticity of even the reported expenditure was doubtful. In two Sub-divisions and one block, the outstanding DCC bills amounted to Rs. 1.75 crore.**

*(Paragraph 3.3.11)*

**Despite the provision that the works should be completed in 60 days, 175 works taken up during 2002-03 to 2005-06 involving Rs. 3.30 crore remained incomplete.**

*(Paragraph 3.3.12)*

**Rupees 12.95 lakh was spent on inadmissible works in 11 Assembly Constituencies. There was no system in place at the Directorate level for timely detection and prevention of inadmissible works.**

*(Paragraph 3.3.13)*

**Asset registers in respect of the works done under the scheme were not maintained, indicating an important control weakness fraught with the risk of malpractice.**

*(Paragraph 3.3.15)*

#### 3.3.1 Introduction

With a view to enabling the Members of the State Legislative Assembly (MLA) to recommend developmental works in their Constituencies, the Government of Tripura introduced "Bidayak Elaka Unnayan Prakalpa" (BEUP) in July 2001. Detailed guidelines indicating the objectives of the scheme, salient features of the scheme, list of works to be taken up, works not allowed under the scheme, procedure for sanction and execution of works, monitoring arrangements and release of funds were issued in July 2001. The guidelines were amended in October 2003 and in April 2005.

Under the scheme, each MLA can suggest to the concerned Sub-Divisional Officer, now Sub-Divisional Magistrate (SDM), works to the tune of Rs. 5 lakh per year for undertaking development of his/her constituency. The allocation per MLA per year was increased to Rs. 7.50 lakh in 2004-05 and to Rs. 10.00 lakh from 2005-06 onwards.

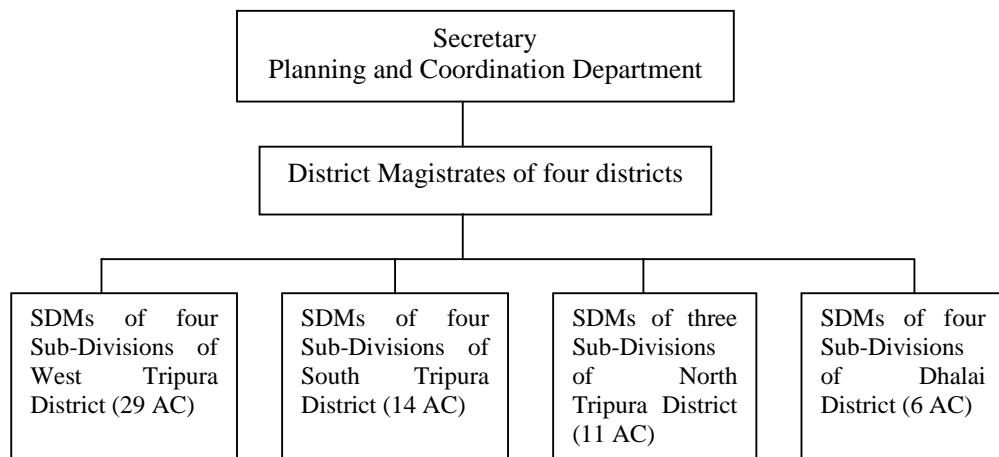
### 3.3.2 Main features of the scheme

The main features of the scheme are given below:

- The works under the scheme shall be developmental in nature based on locally felt needs and should lead to creation of durable assets.
- The works should be implemented through Government agencies, local bodies like Municipal Council, Nagar Panchayats etc; Public Sector Undertakings and institutions considered by the Sub-Division Head as capable of implementing the works satisfactorily.
- Repair and maintenance works are not permitted other than special repairs for restoration / upgradation of durable assets.
- Construction of office or residential buildings are not permitted.
- Purchase of inventory or stock is not allowed.
- The normal financial and audit procedure would apply to all transactions.

### 3.3.3 Organizational set up

There are 60 Assembly Constituencies located in 15 Sub-Divisions under the four Districts in the State. The Planning and Coordination Department of the State Government headed by a Secretary is the Nodal Department for implementation of the scheme. The SDMs are the Sub-Divisional Nodal Officers. Works under the scheme are executed by the State Government agencies and local bodies like Municipal Council, Nagar Panchayat etc. SDMs are responsible for the co-ordination and overall supervision of the works at the Sub-Division level. An organogram in this regard is given below:



### 3.3.4 Scope of Audit

The implementation of the scheme for the period from 2001-02 to 2005-06 was reviewed between April and May 2006 through a test-check of the records

of the Directorate of Planning and Co-ordination, two SDMs (Sadar<sup>1</sup> and Udaipur<sup>2</sup> covering 16 Assembly Constituencies<sup>3</sup>), three BDOs (Mohanpur, Jirania and Matabari), Agartala Municipal Council and Udaipur Nagar Panchayat, covering an expenditure of Rs. 4.56 crore (30 *per cent*) out of the total expenditure of Rs. 15.07 crore. Information was also collected, through questionnaires, from eight SDMs<sup>4</sup>.

### 3.3.5 Audit Objectives

The audit objectives were to ascertain whether:

- the scheme was implemented in accordance with the guidelines, with due regard to efficiency, economy and effectiveness;
- planning and selection of works under the scheme were done efficiently;
- the execution of works was done properly, as per existing procedure and subject to the scheme guidelines;
- an adequate monitoring system had been evolved for proper implementation of the scheme.

### 3.3.6 Audit criteria

The audit criteria used to achieve the audit objectives were:

- guidelines of the scheme;
- recommendation of the MLA concerned;
- list of permissible works;
- time schedule for sanction of works;
- prescribed monitoring mechanism; and
- provisions of General Financial Rules/Central Treasury Rules.

### 3.3.7 Audit Methodology

An entry conference was held in April 2006 with the Director of Planning and Coordination and other Officers of the Directorate, wherein the audit objectives, scope and criteria were explained. Information and other records, furnished by the Department and collected through questionnaires were used as evidence.

Exit conference was held in June 2006 with the Director of Planning and Coordination Department. The replies of the Government received (October 2006) have been incorporated where appropriate, in the review.

## Audit findings

### 3.3.8 Financial arrangements

The allocation of funds per MLA per year was increased from Rs. 5 lakh to Rs. 7.50 lakh in 2004-05 and to Rs. 10 lakh from 2005-06 onwards. The Nodal Department releases funds to the concerned SDMs in two equal instalments in

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<sup>1</sup> Largest Sub-Division in the State (having maximum number of constituencies).

<sup>2</sup> Headquarters of the second largest district of the State.

<sup>3</sup> Simna, Mohanpur, Barjala, Bamutia, Khayerpur, Agartala, Town Bardwali, Ramnagar, Banamalipur, Majlishpur, Mandai, Radha Kishorepur, Bagma, Salgarah, Matabari and Kakraban.

<sup>4</sup> Dharmanagar, Kailashahar, Kanchanpur, Longtarai Valley, Gandacherra, Ambassa, Amarpur and Sabroom.



a year. The second instalment has to be released after the receipt of utilisation report for 50 per cent of the funds released in the first instalment. This provision was amended with effect from 1<sup>st</sup> April 2005, raising the first instalment to 60 per cent of the annual entitlement, to be released during the first quarter of the financial year. The second instalment (40 per cent) has to be released on utilisation of 50 per cent of the first instalment.

The position relating to release of funds and expenditure thereagainst for the period from 2001-02 to 2005-06 is shown below:

Table No. 3.3.1

(Rupees in crore)

| Year         | Annual entitlement | Funds released by the Nodal Department to SDMs | Expenditure (upto 31 <sup>st</sup> March 2006) |
|--------------|--------------------|--|--|
| 2001-02      | 3.00               | 3.00   | 3.00   |
| 2002-03      | 3.00               | 2.53   | 2.53   |
| 2003-04      | 3.00               | 2.20   | 2.15   |
| 2004-05      | 4.50               | 3.93   | 3.61   |
| 2005-06      | 6.00               | 6.71   | 3.78   |
| <b>Total</b> | <b>19.50</b>       | <b>18.37</b>                                   | <b>15.07</b>                                   |

Source: Information furnished by the Nodal Department.

The following points were noticed during audit:

### 3.3.9 Delay in release of funds

It was noticed that except in 2005-06, the first instalment of funds was released after more than three months of the financial year. In 2003-04, in a majority of constituencies, the first instalment was released after six months, while in 2004-05, nearly half of the constituencies received their funds after more than nine months. Further, in 2002-03 and 2003-04, even the full amounts of the first instalments were not released for a number of constituencies. These details are given in **Appendix XXVI**.

### 3.3.10 Amounts not utilised for lack of proposals from MLAs

Records of the SDMs, Sadar and Sabroom Sub-Divisions showed that Rs. 15.36 lakh could not be utilised due to non-receipt of proposals/recommendation from the concerned MLAs as detailed below:

Table No. 3.3.2

| Sl. No.      | Name of Assembly Constituency | Amount remained unutilised (Rupees in lakh) |
|--------------|-------------------------------|---|
| 1.           | Agartala                      | 8.50 (2004-05: 2.50, 2005-06: 6.00)         |
| 2.           | Sabroom                       | 4.16 (2003-04: 4.16)                        |
| 3.           | Manu                          | 2.70 (2002-03: 2.20 , 2004-05: 0.50)        |
| <b>Total</b> |                               | <b>15.36</b>                                |

Source: Information furnished by the SDMs, Sadar and Sabroom.

During discussion (June 2006), the Director stated that efforts were being made to get the proposals from the respective MLAs.

### 3.3.11 Non-adjustment of AC Bills

Test-check of records of the SDMs, Sadar and Udaipur, and BDO, Mohanpur revealed that Rs. 2.45 crore was drawn through AC Bills under the scheme during the period from 2001-02 to 2005-06 against which, DCC bills were submitted only for Rs. 69.10 lakh (May 2006). The DCC bills for Rs. 1.75 crore were outstanding for several years, though the rules require that they should be submitted to the Accountant General (A&E) within 60 days from the date of drawal of the AC Bills. Details of the outstanding DCC bills are shown below:

**Table No. 3.3.3**

*(Rupees in lakh)*

| Name of office     | Year         | Drawal of AC Bills | DCC bills submitted | Outstanding DCC bills |
|--------------------|--------------|--------------------|---------------------|-----------------------|
| SDM, Sadar         | 2004-05      | 55.00              | 31.00               | 24.00                 |
|                    | 2005-06      | 143.46             | 2.50                | 140.96                |
|                    | <b>Total</b> | <b>225.16</b>      | <b>60.20</b>        | <b>164.96</b>         |
| SDM, Udaipur       | 2004-05      | 7.57               | 7.20                | 0.37                  |
|                    | 2005-06      | 6.32               | 1.70                | 4.62                  |
|                    | <b>Total</b> | <b>13.89</b>       | <b>8.90</b>         | <b>4.99</b>           |
| BDO, Mohanpur      | 2002-03      | 4.37               | -                   | 4.37                  |
|                    | 2003-04      | 1.12               | -                   | 1.12                  |
|                    | <b>Total</b> | <b>5.49</b>        | <b>-</b>            | <b>5.49</b>           |
| <b>Grand total</b> |              | <b>244.54</b>      | <b>69.10</b>        | <b>175.44</b>         |

Source: Information furnished by the SDMs, Sadar, Udaipur and BDO, Mohanpur.

Non-submission of the DCC bills showed lack of financial accountability involving high risk of mis-appropriation and malpractices. The Director of the Nodal Department stated (June 2006) that steps would be taken for expeditious submission of DCC bills. The Government stated (October 2006) that the SDMs had been requested to submit all the outstanding DCC Bills.

### Execution of works

#### 3.3.12 Incomplete works

Though the scheme envisaged that the works undertaken should be completed within 60 days<sup>5</sup>, the following table shows that a number of works remained incomplete, some for several years:

**Table No. 3.3.4**

| Year         | Works sanctioned |                         | Works completed |                                       | Incomplete works |                                    |
|--------------|------------------|-------------------------|-----------------|---------------------------------------|------------------|------------------------------------|
|              | Number           | Amount (Rupees in lakh) | Number          | Expenditure incurred (Rupees in lakh) | Number           | Sanctioned Amount (Rupees in lakh) |
| 2001-02      | 269              | 300.00                  | 269             | 299.68                                | -                | 0.32                               |
| 2002-03      | 302              | 252.97                  | 301             | 252.55                                | 1                | 0.42                               |
| 2003-04      | 297              | 220.66                  | 291             | 215.39                                | 6                | 5.27                               |
| 2004-05      | 457              | 392.71                  | 407             | 361.55                                | 50               | 31.16                              |
| 2005-06      | 433              | 671.00                  | 315             | 377.71                                | 118              | 293.29                             |
| <b>Total</b> | <b>1758</b>      | <b>1837.34</b>          | <b>1583</b>     | <b>1506.88</b>                        | <b>175</b>       | <b>330.46</b>                      |

Source: Physical and financial progress reports furnished by the Nodal Department.

<sup>5</sup> Guidelines as amended on 1<sup>st</sup> April 2005.

Out of 1758 works sanctioned at a cost of Rs. 18.37 crore during 2001-02 to 2005-06, 1583 works (90 *per cent*) were shown to have been completed at a cost of Rs. 15.07 crore and 175 works involving Rs. 3.30 crore remained incomplete mainly due to delay in preparation of the estimates, supply of materials, legal formalities for possession of sites etc.

Test-check of records of the SDMs, Sadar and Udaipur, in respect of 16 Assembly Constituencies (Sadar: 11, Udaipur: 5) revealed that out of 364 works sanctioned at a cost of Rs. 4.75 crore, 330 works (91 *per cent*) were completed at a cost of Rs. 4.44 crore during the period from 2001-02 to 2005-06. However, the completion certificates/reports of these works were not made available to Audit. The date of commencement and completion of works were also not recorded in the registers such as works sanction registers, work registers etc.

On this being pointed out, the SDM, Sadar stated (May 2006) that he did not receive completion certificates from the implementing agencies though the works done were reviewed over telephone, through visits and in the SDLCC meetings. He also stated that completion certificates would be obtained in future.

During discussion (June 2006), the Director stated that updated information would be furnished to Audit and necessary instructions would be issued to SDMs for obtaining completion certificates and for incorporating the same in the asset-register / relevant records. The Nodal Department had furnished updated information (October 2006) which had been included in this review.

### **3.3.13 Execution of inadmissible works**

Test-check of records revealed that Rs. 12.95 lakh was spent in 11 Assembly Constituencies<sup>6</sup> on works, sanctioned by the SDMs concerned, that were not permissible as per the scheme guidelines, rendering the expenditure irregular. Details are shown in **Appendix XXVII**. There was no control system in the Directorate to prevent sanction or execution of inadmissible works.

The Government stated (October 2006) that action had already been taken to evolve a control system in this regard.

### **3.3.14 Delay in sanctioning works**

Para 3.2 of the guidelines of the scheme provides that sanctions for the works should be accorded within 45 days (from 2001-02 to 2004-05) or 30 days (from 2005-06 onwards) from the date of receipt of proposals from the concerned MLA.

Test-check of records of 16 Assembly Constituencies revealed that in 123 cases (Sadar: 100 and Udaipur: 23) sanctions were not accorded within the prescribed time schedule, the delays ranging from 10 days to 110 days in the case of SDM, Sadar and from 25 days to over two years in the case of SDM, Udaipur.

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<sup>6</sup> Dharmanagar, Kulai, Chowmanu, Birganj, Ompinagar, Raimavalley, Julaibari, Belonia, Kalyanpur, Kamalagar and Teliamura.

On this being pointed out in audit, the SDMs, Sadar and Udaipur stated (May 2006) that sanctions for these works could not be accorded in time due *inter alia* to delay in getting funds from the Nodal Department and technical approval of estimates from the competent authorities.

The Government stated (October 2006) that the SDMs had been requested to expedite sanction and execution of works within the stipulated time.

### **3.3.15 Non-maintenance of assets / registers**

Para 5.5 of the guidelines of the scheme provides for maintenance of an asset register in the prescribed format by the SDM, separately for each Assembly Constituency, for all the works done under the scheme.

Test-check of records of the SDMs, Sadar and Udaipur revealed that the SDMs did not maintain the asset registers for all the 16 Constituencies. Non-maintenance of the assets register was an important control weakness as the Department had no centralised information about the assets created, their date of creation and values. As the scheme progresses and the number of assets grows with the passage of time, absence of a centralised database of assets created under the scheme may lead to failure of control and create conditions susceptible to malpractice, especially in the case of assets funded from multiple sources, which is now permissible under the amended scheme (Para 3.6).

The SDMs stated (May 2006) that the register would be maintained henceforth and the Director of the Nodal Department assured to enforce the maintenance of the asset register. Incidentally, the latest guidelines issued by the Government do not make a mention of the assets register, unlike the earlier guidelines, and this may create further confusion among the implementing authorities regarding the maintenance of the asset register.

## **Monitoring and Reporting**

### **3.3.16 Monitoring meeting**

The sanctioning authorities (SDMs) are required to hold regular monitoring meetings with the implementing agencies and the MLAs or their representatives. Joint-field visits are also to be arranged to ensure the quality of the works. The SDM has to review the programme every month at the Sub-Divisional level; the District Magistrate and Collector also has to review the programme every month at the District level.

SDMs, Sadar and Udaipur did not furnish any records (minutes of meeting, monthly review notes etc.) in support of the meetings held with the implementing agencies and MLAs or their representatives. They stated (May 2006) that they had regular monthly meetings with the implementing agencies and reviewed the progress of works but did not maintain the records. SDM, Sadar stated that records would be maintained in future. The Deputy Director of the Nodal Department stated (May 2006) that during the last two years, the implementation of the scheme was reviewed regularly in the monthly meeting of the District Magistrates and Collectors, but the minutes were not prepared.

The Government stated (October 2006) that the SDMs had been requested to hold the monitoring meetings regularly and furnish minutes.

### **3.3.17 Inspection of works**

Para 5.2 of the guidelines of the scheme states that it would be the responsibility of the SDMs and senior officers to regularly visit the work spots and ensure that the works are progressing / being executed satisfactorily as per the prescribed procedures and specifications. Likewise, officers of the implementing agencies such as Municipality, Nagar Panchayat, Block etc. shall also closely monitor the implementation of the works through visits to works sites. The SDM should also involve the MLAs in such inspections and monitoring to the maximum extent feasible.

During test-check of the records, the SDMs, Sadar and Udaipur, did not furnish any Inspection Report for the period from 2001-02 to 2005-06. On this being pointed out in audit, the SDM, Sadar stated (May 2006) that he had inspected a number of works but could not submit Inspection Reports due to preoccupation with other works, while the SDM, Udaipur stated (May 2006) that he had regularly inspected the progress of works and recorded in his tour notes to the higher authority; these notes were, however, not furnished to audit.

The Government stated (October 2006) that the SDMs had been requested to inspect the works regularly and submit reports to the Nodal Department.

### **3.3.18 Conclusion**

The objective of the scheme could not be achieved fully due to non-utilisation of significant amount of funds, short release of funds to the SDMs, delay in sanctioning works and incurring of expenditure on inadmissible works. There were deficiencies in the control and monitoring system and the registers of assets created were not being maintained.

### **3.3.19 Recommendations**

- Provisions of CTR (Vol-I) should be enforced in respect of preparation and submission of DCC bill for adjustment of AC bill.
- Sanctioning of works by the SDMs within the prescribed time schedule should be ensured.
- Minutes of monitoring meetings may be maintained.
- Assembly Constituency-wise asset register in the prescribed format should be maintained and the Directorate should prepare a computerized database of all these assets for monitoring.

## ANIMAL RESOURCES DEVELOPMENT DEPARTMENT

### 3.4 Integrated Dairy Development Project – II

#### 3.4.1 Introduction

Government of India (GOI) sanctioned (1994-95) the Integrated Dairy Development Project-II (Project) in North Tripura district at a cost of Rs. 3.49 crore<sup>1</sup> as a 100 *per cent* Centrally Sponsored Scheme. The project was to be completed in three years during 1994-95 to 1996-97. The objectives of the project were to:

- Organise milk co-operative societies for channelising milk procurement so as to eliminate middlemen in the milk trade,
- Augment milk production in the project area, and
- Provide better marketing facilities and supply pasteurized milk in poly pouches to the urban population and hospitals.

The project consisted of the establishment of a dairy plant at Dharmanagar (production capacity of 4000 litres per day), procurement and free distribution of cross breed cows to the selected farmers, supply of cattle feed at subsidised rates, and training of farmers. The Animal Resources Development Department (ARDD) was the nodal department for implementation of the project.

The plant was completed in May 2005, after a delay of more than eight years and was being run by the Tripura Co-operative Milk Producers' Union Limited (TCMPUL) under a Memorandum of Understanding (MOU) signed with the ARDD in January 2005. The implementation of the project was reviewed in audit in May 2006 through a test-check of the records of the Directorate of ARDD, Deputy Director (ARDD), Kailashahar, Project Officer (ARDD), Dharmanagar. The important points noticed are discussed below.

#### 3.4.2 Outlay and expenditure

The project cost of Rs. 3.49 crore was divided among five components *viz*, (i) Milk processing and marketing: Rs. 1.58 crore; (ii) Milk procurement: Rs. 1.52 crore; (iii) Input services: Rs. 24.90 lakh; (iv) Manpower Development: Rs. 5.53 lakh and (v) Working Capital: Rs. 8.98 lakh. The expenditure on salaries (Rs. 29.21 lakh) was to be borne by the State Government leaving the remaining Rs. 3.20 crore to be borne by the GOI.

The year-wise funds released by the Government of India, funds drawn and expenditure incurred by the ARDD upto March 2003 are shown in the table below:

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<sup>1</sup> Including Rs. 29.91 lakh on salaries to be paid by the State Government.

**Table No. 3.4.1***(Rupees in lakh)*

| Year         | Funds released by GOI and the State Government | Funds drawn by the Department | Expenditure reported by the Department | Unspent balance |
|--------------|--|-------------------------------|--|-----------------|
| 1995-96      | 113.00   | 94.50                         | 86.50                                  | 8.00            |
| 1996-97      | -  | 5.68                          | 2.70                                   | 2.98            |
| 1997-98      | 100.00   | 29.83                         | 29.83                                  | -               |
| 1998-99      | 50.00  | 3.05                          | 3.05                                   | -               |
| 1999-2000    | -  | 7.21                          | 4.21                                   | 3.00            |
| 2000-01      | -  | 4.05                          | 3.23                                   | 0.82            |
| 2001-02      | -  | 107.28                        | 92.40                                  | 14.88           |
| 2002-03      | 56.51  | 56.51                         | 1.72                                   | 54.79           |
| <b>TOTAL</b> | <b>319.51</b>                                  | <b>308.11</b>                 | <b>223.64</b>                          | <b>84.47</b>    |

**Source:** Information furnished by Directorate of ARDD.

Out of the total expenditure of Rs. 2.24 crore reported by the Directorate during 1995-96 to 2002-03, Rs. 18.33 lakh remained unspent; and were lying in an interest free current account of the SBI. This included Rs. 16.40 lakh (excluding draft commission of Rs. 0.26 lakh) advanced (January 1997 and May 1999) to Assam Livestock and Poultry Corporation (ALPCO), Guwahati which was recovered only in April 2006, after a delay of seven years. The inability of the Government to recover the amount in time led to loss of interest of Rs. 5.74 lakh calculated at a conservative rate of 5 per cent for seven years. The balance funds of Rs. 1.93 lakh were retained unauthorisedly by the Directorate for future expenditure towards boundary wall of the dairy plant without any provision in the scheme.

Rupees 84.47 lakh were transferred to the TCMPUL during February-March 2005, out of which the Union had reportedly spent Rs. 37.37 lakh (Erection & Commissioning: Rs. 17.97 lakh; Plant and machinery: Rs. 1.59 lakh; Dairy commodities: Rs. 11.94 lakh; Poly film: Rs. 3.01 lakh and Others: Rs. 2.86 lakh) as of June 2005. However, no records were produced to Audit, despite their obligation to do so in terms of the MOU and despite this being reported to the department.

### 3.4.3 Diversion of funds

Government of India approved (November 1999) diversion of funds of Rs. 35 lakh for purchase of a liquid nitrogen plant under IDDP-I at Radha Kishore Nagar in West Tripura District, against which the department diverted Rs. 48.50 lakh between 1995-96 and 2000-01. No approval from GOI for diversion of additional Rs. 13.50 lakh was taken. It was seen in audit that only Rs. 33.30 lakh was spent on procurement of the liquid nitrogen plant and the remaining amount was spent on unrelated items like repair of godown at Radha Kishore Nagar (Rs. 2.48 lakh), maintenance of motor vehicles (Rs. 4.55 lakh), materials and office expenses (Rs. 5.66 lakh) and other charges (Rs. 2.51 lakh).

### ***Project Implementation***

#### **3.4.4 Milk Processing and marketing**

##### **3.4.4.1 Inordinate delay in setting up the dairy plant**

The project consisted of setting up a dairy plant of production capacity of 4,000 litres per day (LPD) at Dharmanagar. There was no evidence of the basis for fixing the production capacity of the plant or whether any survey was conducted to ascertain the production requirement. The plant was to be completed by 1996-97, but the department delayed the selection of the site, which was finalised only in March 2001, after six years of the approval of the project. The department then engaged (June 2001) the National Dairy Development Board (NDDB) to provide process information, detailed engineering, assistance in preparation of estimates, drawing for building construction and plant installation including supply of equipment on consultancy fees of 2.5 *per cent* of the project cost.

In terms of the estimates prepared by the NDDB, the department placed Rs. 57.19 lakh with NDDB (December 2001) for supply of plant and equipment, and Rs. 38.22 lakh (January 2003) with the Executive Engineer, Northern Division, Dharmanagar for civil works. The construction of the building started in November 2003 and was completed in April 2005. The equipment were supplied by the NDDB between October 2004 and May 2005. Erection and commissioning of the plant and equipment were done by TCMPUL in June 2005, under the MOU of January 2005. Thus, the department took 10 years in setting up the plant due to poor planning and monitoring. The Director stated (June 2006) that the delay in setting up the plant was mainly due to delay in selection of site.

According to the MOU, the dairy plant was to be handed over to the TCMPUL after preparing a detailed list of assets. No such list of assets was prepared and handed over to TCMPUL formally. Scheme funds of Rs. 84.47 lakh remaining unspent were also transferred to TCMPUL during February and March 2005 and 23 staff of the department were placed (April 2005) under the administrative control of TCMPUL for a period of two years with the understanding that their salaries would be borne by the department to prevent any negative financial impact on the viability of the plant.

It was noticed that out of 30 Dairy Co-operative Societies (DCS) set up (January 2003 – March 2006) for supply of milk to the dairy plant, 21 remained non-functional as of March 2006. As a result, adequate supply of milk to the plant was not assured. The plant started functioning from June 2005. Against the target of 10,000 LPD of milk collection, the achievement in 2005-06 was only 149 litres per day, as the total collection in that year was only 44,655 litres. The production performance of the plant during 2005-06 is shown in the table below:



Table No. 3.4.2

| Particulars  | Target | Achievement | Shortfall (percentage) |
|--|--------|-------------|------------------------|
| Total pasteurized milk sold/ marketed ( <i>in litre</i> )            | NA     | 2,20,191    | -                      |
| Average pasteurized milk sold / marketed ( <i>in litre per day</i> ) | 4,000  | 734         | 3266 (82)              |
| Total cost of production ( <i>Rupees in lakh</i> )                   | -      | 47.89       | -                      |
| Total sale proceeds of milk ( <i>Rupees in lakh</i> )                | -      | 39.63       | -                      |
| Cost of sales per litre ( <i>Rupees</i> )                            | -      | 21.75       | -                      |
| Selling price per litre ( <i>Rupees</i> )                            | -      | 18.00       | -                      |
| Loss per litre ( <i>Rupees</i> )                                     | -      | 3.75        | -                      |
| Net loss ( <i>Rupees in lakh</i> )                                   | -      | 8.26        | -                      |

**Source:** Compiled on the basis of information furnished by TCMP Union Limited and the Director of ARDD.

The table indicates that against the production capacity of 4000 LPD, the plant sold pasteurized milk on an average of 734 LPD during 2005-06, operating at less than 20 per cent of its capacity. The shortfall in production was attributed by TCMPUL to lack of adequate supply of milk. The capital expenditure of Rs. 1.15 crore on the construction of the plant remained largely unfruitful due to low capacity utilisation.

Against the cost of sales of Rs. 21.75 per litre of milk, TCMPUL fixed the selling price at Rs. 18 per litre; however, the basis for fixing the selling price was not made available to audit. The net result was a loss of Rs. 8.26 lakh in 2005-06.

The Director stated (June 2006) that in course of time, with the increase in supply of milk and capacity utilisation of the plant, the loss would be reduced.

### 3.4.5 Milk Procurement

#### 3.4.5.1 Infructuous expenditure on procurement of cows / heifers

Two cross-breed cows / heifers were to be provided to each milk producing farmer free of cost on execution of a bond. The department selected 515 beneficiaries of BPL families under 15 DCS through Panchayat Samities. The department also decided to procure heifers from Assam Livestock and Poultry Corporation (ALPCO), Guwahati through a three-member committee constituted (May 1996) for this purpose.

Accordingly, Rs. 69.07 lakh (including draft commission of Rs. 0.26 lakh) were advanced to ALPCO between January 1997 and May 1999 for supply of 1,030 heifers. The ALPCO, however, supplied only 777 cows / heifers (value: Rs. 52.41 lakh) between 1996-97 and 2000-01 in seven phases<sup>2</sup>. ALPCO did not refund the remaining amount of Rs. 16.40 lakh (excluding draft commission of Rs. 0.26 lakh) until after about seven years, as pointed out earlier. Audit scrutiny revealed that Rs. 36.64 lakh was advanced to ALPCO in one lump in May 1999, for supply of 567 heifers, but ALPCO did not supply the required number of heifers. Payment of the full amount as advance without any guarantee for supply indicated poor financial management.

<sup>2</sup> Rs. 16.66 lakh was refunded by ALPCO in April 2006, as commented earlier.

The department also incurred an expenditure of Rs. 16.53 lakh towards transportation and insurance of the cows/heifers. Thus, the total cost of procuring 777 cows/heifers amounted to Rs. 68.94 lakh. It was noticed that nine heifers died due to transit injury and the balance 768 cows / heifers were distributed by the department to 495 beneficiaries without execution of bonds with them. It was also noticed that only 273 beneficiaries were provided with two cows / heifers each and 222 beneficiaries were given only one cow / heifer.

Report of the physical inspection of the cows / heifers conducted by the department between August 2002 and January 2003 indicated that 398 (52 *per cent*) cows / heifers had died, five were stolen and 321 were sold by the beneficiaries, leaving only 44 (6 *per cent*) cows / heifers with the beneficiaries as of March 2006. The department attributed the death of the cows / heifers to inadequate cattle sheds, absence of proper diet and lack of supervision by the milk societies. Discussion revealed that the beneficiaries did not get any support for cattle feed as the ARDD did not incur any expenditure on cattle feed, despite budget allocation for the same. As the dairy plant was not ready (it was constructed years after the distribution of cows / heifers), there was no assured procurement (and hence income) of the milk produced by them. These factors contributed to their inability to provide proper feed to their cows / heifers and acted as an incentive to sell their cows / heifers for ready cash.

The procurement and distribution of cows / heifers was made without any regard to the state of readiness of the dairy plant, which was an important component of the scheme designed to provide processing facilities for the milk produced under the scheme. Consequent upon slow progress of the project, Department of Animal Husbandry and Dairying, Government of India advised (January 2000) the State Government to suspend the distribution of cows / heifers as the dairy plant was not ready and induction of cows / heifers would not have any impact on the dairy milk trade. However, the cows / heifers had already been procured and distributed by that time.

Thus, the procurement of cows / heifers much in advance of establishment of the dairy plant and the selection of beneficiaries without ensuring their capacity to maintain the cows/ heifers was injudicious. As a result, expenditure of Rs. 65.03 lakh<sup>3</sup> on 733 (777 *minus* 44) cows / heifers became infructuous.

#### **3.4.5.2 Time barred claim of Cattle insurance**

The department insured 768 cows / heifers in the name of the beneficiaries for three years with two Insurance Companies (United Insurance Co. and National Insurance Co.) and paid a premium of Rs. 4.27 lakh at 7.8 *per cent* of the value of the cows / heifers. According to the insurance policy, claim should be preferred within 30 days from the date of death of the cows / heifers. It was noticed from the records of the Deputy Director (ARDD), North Tripura, Kailashahar that the department preferred insurance claims for only 139 out of 398 cows / heifers that had died, as per the physical inspection report. Out of 139 claims preferred, only 42 claims (Rs.2.50 lakh) were settled by the insurance companies. The balance 97 claims were disallowed due to delay in

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<sup>3</sup> Rs. 68.94 lakh × 733 ÷ 777 = Rs. 65.03 lakh.

submission of the claims, incomplete information and anomaly/discrepancy between the date of actual death of the heifer and the date of death recorded in the certificates issued by the Veterinary Assistant Surgeon. The department did not prefer any claim for the balance 259 cows / heifers as the information regarding the death of the cows / heifers was not reported to the department by the beneficiaries in time. This resulted in loss of Rs.21.19 lakh<sup>4</sup>, calculated at the rate of insurance settled by the insurance companies, and indicated failure of controls and supervision both at the DCS level as well as the department level.

### **3.4.5.3 Input Services**

The scheme allocated Rs. 24.90 lakh for inputs which included Rs. 13.75 lakh for feed and insurance. Of this, the ARDD did not spend any amount on feed, which affected the ability of the beneficiaries to provide nutritional support to their cows / heifers, which in turn was one of the reasons for their death due to malnourishment and sale.

### **Manpower Development**

#### **3.4.6 Training of Farmers**

The project included training of DCS staff and farmer induction programmes. Though 768 cows / heifers were distributed to 495 farmers during 1996-97 to 2000-01, training was provided to 58 farmers only in 1999-2000 and 2000-01 at a total cost of Rs. 1.33 lakh against Rs. 5.53 lakh available under the training component. The reasons for not providing training to all the farmers were not on record.

#### **3.4.7 Conclusion**

The implementation of the project was marred by serious deficiencies in planning and coordination. The cows / heifers were purchased and distributed to the beneficiaries much in advance of the completion of the dairy plant that was to use the milk produced. Most of these cows / heifers had died or were sold by the beneficiaries, leaving only 6 *per cent* of the cows / heifers distributed to the beneficiaries being available for milk production. There was delay of more than eight years in the construction of the dairy plant and, on completion, there was no assured supply of milk for processing. No effective steps had been taken to ensure adequate supply of milk for processing, which led to extremely low capacity utilisation of the plant and posed a serious threat to its financial viability. Thus, poor planning and execution of the project resulted in most of the objectives of the scheme remaining unrealised.

#### **3.4.8 Recommendations**

- The department should take effective steps to revive and strengthen the DCSs to ensure adequate supply of milk to the plant;
- The department should make effective arrangements for procurement of milk from the points of production to the storage and processing centres;

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<sup>4</sup> Rs. 5952 × 356 cattle = Rs. 21.19 lakh.

- The department should explore the possibility of increasing the capacity utilisation of the plant by effective distribution of the milk procured by the TCMFUL in other areas, until the DCS in Dharmanagar area are in a position to provide adequate supply; and
- The department should ensure that the TCMFUL gets its accounts audited in terms of the MOU, and makes all records available to Audit.