

CHAPTER-I

PERFORMANCE REVIEW (CIVIL)

DEPARTMENT OF EDUCATION (SCHOOLS)

1.1 Elementary Education

Highlights

The Government of India had formulated the National Education Policy in the year 1986 and Right to Education Act in 2009 which *inter alia* mandated Universal Elementary Education (UEE) of good quality for children in the age group of 6-14 years through provision of schools within one kilometre distance of each habitation with appropriate infrastructure. Sarva Shiksha Abhiyan (SSA) was implemented in Manipur in March 2004 to ensure that all children in the age group 6 to 14 years have access to education. This was boosted with Mid Day Meal (MDM) scheme implemented in February 2009 in all primary and upper primary schools (Government and Aided schools). MDM also served to improve nutritional status of the children. The performance audit of the programme/schemes brought out the following significant audit findings:

SSA was being implemented without proper planning and without carrying out household survey and pre-project activities.

(Paragraph 1.1.7.1)

There were short release of fund (₹ 139.63 crore), delay in release of fund and diversion of fund in implementation of SSA.

(Paragraphs 1.1.7.2.1, 1.1.7.2.2, & 1.1.7.2.3)

Teachers were posted in school with zero enrolment and there were schools with no posting of teachers.

(Paragraph 1.1.7.3.2(iii))

Despite a trend of low attendance, foodgrains consumption for 100 per cent attendance was reported under MDM.

(Paragraph 1.1.8.3)

Civil works taken up both under SSA and MDM suffered from many deficiencies/irregularities due to which there were infrastructure gaps.

(Paragraphs 1.1.7.3.2(ii), 1.1.7.3.4 & 1.1.8.9)

Contract management was weak both under SSA and MDM and there were loopholes in the contract clauses too.

(Paragraphs 1.1.7.3.5, 1.1.7.5.2, 1.1.8.9 (i) & 1.1.8.10)

1.1.1 Introduction

Elementary education is one of the most important sectors of socio-economic development with tremendous potential to enhance all aspects of quality of human life. Government of India (GoI) included education in the Concurrent

list in the year 1976 and also brought out a National Policy of Education in 1986 which was updated in 1992. The Right of Children to Free and Compulsory Education Act, 2009 guarantees eight years of education to all children in the age group of six to fourteen years. Article 21A of the Constitution of India states that the State shall provide free and compulsory education to all children of the age of six to fourteen years in such manner as the state may, by law, determine. The Sixth Five Year Plan (1980-85) envisaged Universalization of Elementary Education (UEE) as a part of the Minimum Needs Programme (MNP) and the National Policy on Education (NPE) 1986 aimed at universal access and enrolment, universal retention of children up to 14 years of age.

Sarva Shiksha Abhiyan (SSA) and National Programme of Nutritional Support to Primary Education, commonly known as the “Mid-Day-Meal (MDM)” are the two flagship programmes of the GoI to universalise elementary education in the country.

SSA was implemented in Manipur since March 2004 to ensure that all children in the age group of six to 14 years are in the schools, Education Guarantee Centres (EGCs) and Alternative Schools to provide elementary education of satisfactory quality. SSA Mission is responsible for inspection, monitoring, control, supervision and evaluation of the progress of primary education in the State. Major activities of SSA envisaged distribution of free text books, appointment and training of teachers *etc.* The Children belonging to Scheduled Castes (SCs) and Scheduled Tribes (STs), disabled children and girls in this age group were treated as special focus groups.

The funding pattern (effective from 1 April 2007) between the Central Government and States would be 90:10¹ under the programme with Centre's share resourced from the 10 *per cent* earmarked fund for the North - Eastern Region in the SSA's Central budget.

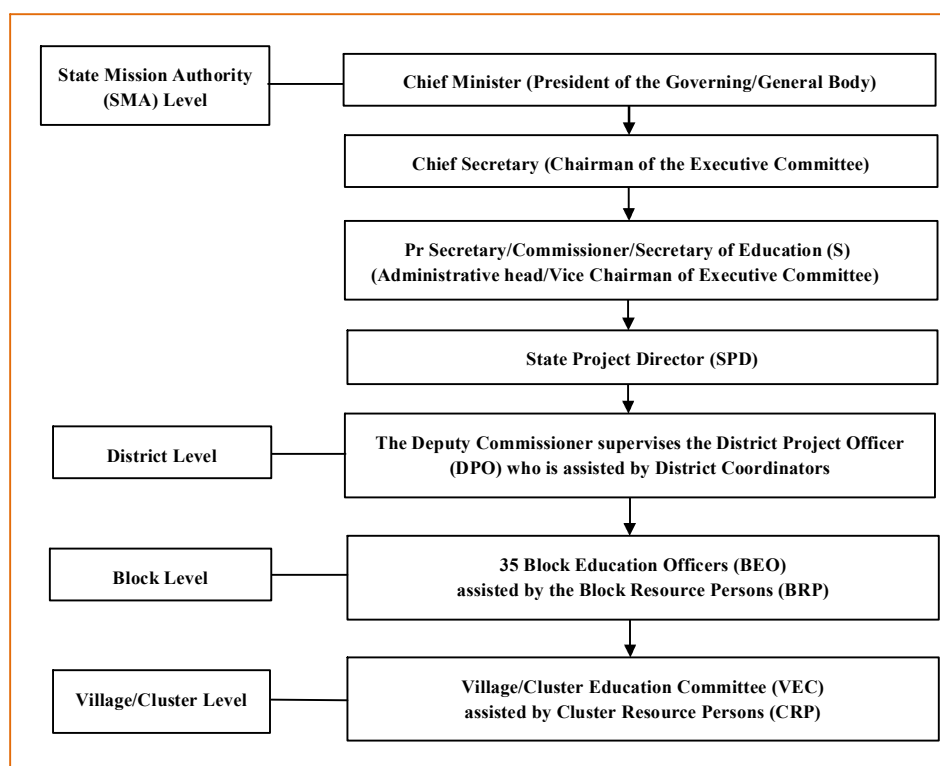
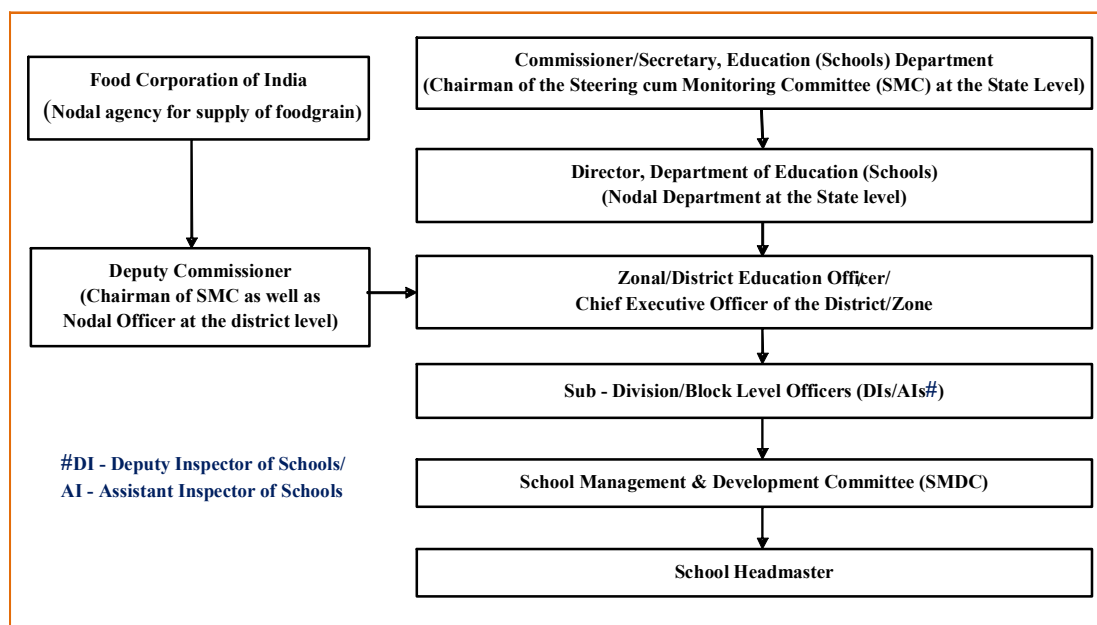
1.1.2 Organisational set up and Management Structure

SSA is implemented in the State through the State Mission Authority (SMA) created in December 2000. The Chief Minister of Manipur is the President of the Governing/General Body of the SMA. The Executive Committee of the SMA, chaired by the Chief Secretary, Government of Manipur is an empowered body assigned full administrative powers to implement the programme.

MDM is implemented through the Directorate of Education (Schools) as the Nodal Department at the State level. The Principal Secretary/Commissioner/Secretary Education (S) is the Chairman of the Steering-cum-Monitoring Committee (SMC) at the State level. The Deputy Commissioners are the Chairmen of SMC at the district level as well as its Nodal officers. Food Corporation of India (FCI) is the Nodal agency for supply of foodgrains.

The organizational set up for implementation of SSA and MDM are given below:

¹ Para 1.9.1 of the Framework for Implementation-2008

Organizational set up for Implementation of SSAOrganizational set up for Implementation of MDM

1.1.3 Scope of Audit

A review on implementation of SSA and MDM in the State for the period 2006-11 was conducted during June–September 2011. Out of the nine districts in the State, three districts *viz.*, Ukhrul in the Hills and Imphal East (Capital District) and Bishnupur in the Valley were selected by judgemental sampling. Six blocks² out of the 10 Educational Blocks from the above three districts were selected through stratified random sampling. Out of 659 schools from these blocks, 66 schools were selected for school visits. Records of the State Mission Authority, SSA (SMA) and the Director of Education (S) (for Mid-Day Meal) were also test-checked.

1.1.4 Audit objectives

The objectives of the performance review were to assess whether:-

- planning for implementation of the various components of the programme was efficient;
- financial management was efficient and funds provided were utilized efficiently for the intended purpose;
- major intervention were carried out as per guidelines, framework and manuals in an efficient manner;
- there was improvement in enrolment, attendance and retention of children in primary schools;
- there was improvement in nutritional status of the children in primary schools;
- an effective monitoring and evaluation system was in place to keep track of implementation of the programs/schemes.

1.1.5 Audit criteria

Audit findings were benchmarked against the following audit criteria:

- Guidelines, notifications and instructions with regards to implementation of schemes;
- Departmental Manuals/Policies;
- General Financial Rules and Central Treasury Rules;

1.1.6 Audit methodology

Audit commenced with holding an entry conference (June 2011) which was attended by the Principal Secretary Education(S), State Project Director–SSA, Director of Education (S), Jt. Director (Plng.) of Education (S) and Asst State Project Director – SSA from the Department. This was followed by checking Departmental/Mission records, field visits, issuing questionnaires, holding

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District	No of blocks in the District	No of blocks to be sampled	Name of blocks sampled
Bishnupur	2	1	Bishnupur
Imphal east	3	2	Sowambung, Irilbung
Ukhrul	5	3	Ukhrul, Phungyar, Kamjong
Total	10	6	

discussions with the auditee management to seek clarifications, analysis of data, documentary evidence vis-à-vis audit criteria to arrive at audit findings, conclusions and recommendations. Photographic evidences and physical verifications were also used to corroborate findings.

Audit findings were discussed with the Departmental officials in an exit conference (December 2011) in which the Department was represented by the Principal Secretary Education(S), State Project Director–SSA, Director of Education (S), Jt. Director (Plng) of Education (S) and Assistant State Project Director–SSA, Nodal Officer–MDM among others. The replies of the SMA and the Department have been incorporated in the review at appropriate places.

Audit findings

The audit findings of the review are discussed in the following paragraphs.

1.1.7 Sarva Shiksha Abhiyan (SSA)

1.1.7.1 Planning

Audit Objective: To assess whether planning for implementation of the various components of the programme was efficient

Proper planning is critical and an integral part of programme implementation. According to the Manual for Planning and Appraisal (MPA)³, household surveys, the District Information System for Education (DISE) data and research studies should be taken into consideration for planning and plan formulations. The deficiencies in planning are discussed in the following paragraphs:

1.1.7.1.1 Pre–Project Activities not taken up properly: Pre–project activities that were required to be taken up as per norms⁴, were household survey to be updated yearly⁵, assessment of the problems, needs and constraints of elementary education system, generating community awareness and participation in enrolment drives *etc.*

For these pre–project activities, GoI released ₹ 146.09 lakh between January to May 2001 to the Government of Manipur (GoM). Out of this amount, ₹ 101.11 lakh was released to SMA in August 2003 and ₹ 36.16 lakh to the Director of Education (S) (Directorate) in April 2001. The remaining amount of ₹ 8.82 lakh had not been released, reasons for which have not been intimated to audit.

Test-check records of the SMA revealed that the above stated amount was to be spent on strengthening of office (computers with peripherals and furniture), capacity building (procurement of library books, trainings), community mobilisation, school-based activities, study, survey, school mapping and workshops for development of curriculum and syllabus. As on December 2011, the Directorate had not submitted the Utilisation Certificates (UC) and audited statement for the amount released.

³ Para 2.6.1.1 of Manual for Planning and Appraisal (MPA)

⁴ Paras 2.7.6.1, 2.7.6.3, 4.11.1.3, 4.11.1.4, Norm No 17 under Para 5.3 and **Appendix-I (c)** of MPA

⁵ Para 2.6.1.1 of Manual for Planning and Appraisal (MPA)

In the absence of UCs for ₹ 36.16 lakh even after ten years, proper implementation of pre-project activities could not be established. Moreover, by not including household survey and assessment of education system in the activities taken up, the purpose of GoI sanction was not fully achieved.

Further test-check of records at the SMA revealed that ₹ 0.83 lakh and ₹ 2.09 lakh were drawn in October 2005 and July 2006 respectively for conducting household survey in the State. In spite of repeated requests, no survey report was made available to Audit which raises serious doubts on actual conduct of household survey. Another household survey was commissioned (March 2009) at a cost of ₹ 27 lakh with stipulation to submit the report on or before March 31, 2009. The report was submitted in December 2010 and was not utilized for preparing the Annual Work Plan & Budget (AWP&B) and Appraisal Report and had lost its relevance⁶. Thus the scheme was being implemented without proper pre-project activities as envisaged and without support of requisite data, as no proper household surveys were conducted.

1.1.7.1.2 Baseline studies not taken up: As per norms⁷, baseline assessment studies were to be undertaken with respect to learning achievement, retention and completion, access, gender equity, social equity, physical infrastructure, *etc.* The planning team was to take cognizance of outcomes of the baseline studies at the time of planning. Norms⁸ also specify that each SSA district had to prepare a Perspective Plan up to 2009–2010 based on the data collected through household survey, micro planning exercise *etc.*

The SMA was requested (June 2011) to furnish details of preparatory baseline studies undertaken, setting up of habitation level planning teams and preparation of Perspective Plan. Information on preparatory baseline studies as required under norms *ibid* was not furnished. Although District Board of Education, Block Education Committee and Village/Habitation Education Committee were stated (August 2011) to have been constituted, their actual involvement in planning and plan formulation was neither available on record nor demonstrated. The SMA (February 2012) admitted that the Perspective Plan was not prepared.

It appears from the above that various pre-project activities required to be undertaken were not taken up in a holistic manner. Thus, inadequate planning for the scheme is likely to jeopardize successful implementation of the scheme.

1.1.7.1.3 Required level of commitment not met: Para 1.9.2 of Framework for Implementation–2008 requires the State Governments to maintain their level of investment in elementary education as in 1999-2000.

Analysis of Appropriation Accounts of the State revealed that GoM maintained a commitment of funds towards elementary education ranging from 3.95 *per cent* (2008-09) to 4.84 *per cent* (2009-10) of total budget, as

⁶ Audit test-checked the household survey figure date with the Appraisal Report. The household survey report was for children between 6-13 years of age while the Appraisal Reports are prepared for children aged 6-14 years of age. Total number of Out-Of-School Children for Chandel District as per household survey was 197 whereas in the Appraisal Report for 2009-10, the same figure was 205.

⁷ Para 2.6.3.1 & 2.6.3.2 MPA

⁸ Para 19.1. of MFM&P

against required 8.08 *per cent*, the level of 1999-2000. Details are given in **Appendix-1.1**. Thus GoM was not able to maintain commitment of funds towards elementary education which is likely to affect successful implementation of the scheme.

1.1.7.2 Financial Management

Audit Objective: To assess whether financial management was efficient and funds provided were utilized efficiently for the intended purpose

Regular and timely release of funds is an essential requirement for effective implementation of any programme. Delays, irregular or short release of funds have a cascading impact on the execution of time-bound activities that are interlinked.

During 2006–11, total funds available with the SMA were ₹ 239.46 crore, out of which an amount of ₹ 177.25 crore was spent as on March 2011 leaving a closing balance/savings of ₹ 62.21 crore (**Table-A of Appendix-1.2**), thereby affecting the implementation of the programme. Substantial savings were indicative of the fact that the budgetary controls in the SMA were ineffective. Reasons for huge savings were not available in the records produced to audit.

Other irregularities noticed by Audit are discussed in the following paragraphs.

1.1.7.2.1 Short Release of Funds: Test-check of records of the SMA revealed that the total outlay of ₹ 350.75 crore was approved by the Project Approval Board (PAB⁹) of SSA during 2006–11 (**Table A of Appendix-1.2**). As per the approved funding pattern (Para 1.1.1), GoI and GoM were to release ₹ 315.67 crore and ₹ 35.08 crore respectively during the 2006-11. However, GoI and GoM released only ₹ 188.01 crore (60 *per cent* of GoI's share) and ₹ 23.10 crore (66 *per cent* of GoM's share) respectively which together constituted only 60.19 *per cent* of the approved outlay. Thus, both the GoI and GoM fell short of their commitment of supporting UEE by ₹ 139.64 crore during 2006-11. Non-release of adequate fund adversely affected the implementation of scheme in the State as highlighted in the following paragraphs.

1.1.7.2.2 Delay in Release of Funds: SSA funds were to be released directly to the SMA by GoI in two instalments, one in April and the other in September of each year. The GoI's second instalment was to be released only after GoM had released its matching share and expenditure of at least 50 *per cent* of the fund (Centre and States) released had been incurred. The GoM was required to release its share within 30 days of receipt of Central fund. However, there were inordinate delays in release of fund ranging from nine to 327 days in respect of Central fund and 110 to 254 days in respect of State fund, beyond the target date¹⁰ (**Table B of Appendix-1.2**).

The SMA admitted (February 2012) that delay in release of Central share was in some instances due to their inability to furnish Utilization Certificates,

⁹ Project Approval Board (PAB) is an empowered body at the national level under the Chairmanship of Secretary Elementary Education in the Ministry of Human Resource Development, GoI assigned with full financial powers to approve plans and sanction budget.

¹⁰ As laid down in Para 88.1 of Manual for Financial Management and Procurement

Audit Reports and Annual Reports in time and stated that GoM was pursued diligently for timely release of the State share.

The SMA needs to take proactive action to ensure that implementation of the scheme does not suffer due to non-availability of funds in time.

1.1.7.2.3 Diversion of Funds: Norms¹¹ do not permit construction of Office building from SSA funds. SSA norms also clearly define items that can be charged to “Management Cost¹²” and does not include renovation/construction of office building. Diversion of fund for expenditure on any item not provided for in sanctioned budget estimates is forbidden¹³ unless the diversion is approved by PAB¹⁴ of SSA. Further, norms also require that construction work with financial ceiling of ₹ 6 lakh and above is to be awarded through open tenders¹⁵ only.

Test-check of SMA records revealed that the Executive Committee of SSA Manipur sanctioned (August 2010) three renovation and construction works at the SMA complex, Imphal at estimated cost of ₹ 91.65 lakh. These works were executed departmentally without putting them to tender and the expenditure was charged to Management Cost of SSA. Details of works and up to date expenditure are given in **Table C of Appendix-1.2**. Further scrutiny of records revealed that the PAB had neither approved these works as original works nor the diversion of fund and charging to Management Cost for their execution.

The SMA (December 2011) justified the expenditure stating that creation of sufficient space for functioning of State Project Office (SPO) is concerned with management of SSA program and added that by not putting the works to open tender, minimum of 13.75 *per cent* additional expenses were saved in the form of agency charges and Income Tax deductions.

The contention of SMA is not acceptable as all norms *ibid* were flouted even to the extent of overriding the powers of PAB of SSA.

1.1.7.2.4 Other Financial Irregularities: Audit further noticed the following financial irregularities during the course of test-check of the records of SSA:

(i) Outstanding advances: As per norms¹⁶, no personal advance should be outstanding for more than one month, which otherwise would attract penal action including charging of interest.

Test-check of Advance Register of the SMA revealed that 33 personal advances amounting to ₹ 81.23 lakh released from June 2010 to March 2011 were outstanding for as long as 376 days as of July 2011.

The SMA (December 2011) stated that all personal advances had been duly settled. This claim is not acceptable as the date of settlement of 15 advances

¹¹ Para 1.9.10 Civil Works (i) of Framework for Implementation– 2008 & Para 26.2(a) of Manual for Financial Management and Planning

¹² Paras 37.3, 37.7, 37.8 & 37.9 of Manual on Financial Management and Procurement

¹³ Paras 86.2 and 86.3 of Manual on Financial Management and Procurement

¹⁴ Paras 4.10.1.2 and 4.10.1.3 of Manual for Planning and Appraisal

¹⁵ Para 110.1 read with Norm No 19 of Annexure – II of Manual on Financial Management and Procurement

¹⁶ Para 74.2 of Manual on Financial Management and Procurement

amounting to ₹ 60.67 lakh was not available on record. Moreover, as vouchers were not made available, audit cannot vouch for regularity of the claims.

(ii) VAT deducted at source not deposited: As per standing instruction of the GoM, Value Added Tax (VAT) is to be deducted at source and remitted into government account within a specified time.

Test-check of SMA's records revealed that VAT amounting to ₹ 77.25 lakh deducted at source from 36 bills of suppliers/contractors during June 2006 to March 2011 had not been remitted to the Government account till the date of audit (July 2011) and hence remained unaccounted.

The SMA (December 2011) stated that VAT could not be deposited in time due to lapse of cheques on account of misplacement of file and submitted 36 challans to support deposit of VAT. On further Audit query, the SMA could submit (February 2012) bank scroll for only 15 challans amounting to ₹ 26.92 lakh. Thus actual deposit of ₹ 50.33 lakh was not visible in audit.

(iii) Operation of multiple bank accounts: SSA funds are to be operated through a single joint signatory saving bank account¹⁷ at the State, District, Block, Village and School levels.

Test-check of records of SSA, Bishnupur District revealed that the District Project Officer (DPO) was operating four bank accounts, out of which three were current accounts. One of the current accounts was a single signatory accounts. Details are given in **Table-D of Appendix-1.2**. Out of the total balance of ₹ 1.96 crore in the four accounts as on date of audit (September 2011), balance in the three current accounts was ₹ 1.89 crore which would not earn interest income for the scheme. Thus, not only were norms regarding operation of bank accounts flouted but also there was loss of interest due to the operation of current accounts in place of savings accounts.

Further scrutiny of records of SSA Bishnupur District revealed that the District Co-ordinator (EGS/AIE) had transacted as much as ₹ 12.08 lakh of SSA funds through a current account operated in his name during September 2006 to October 2009. The authority for opening this account was not available on record. The above amount was given as advance to the official which was adjusted only during 2009-10. The veracity of the expenditure could not be vouched as the connected documents had been seized by the police in connection with a case. This is indicative of gross failure of internal controls and monitoring mechanism.

The SMA (December 2011) stated that the DPO had been given strict instructions to close the multiple bank accounts. Compliance is yet to be received (February 2012).

1.1.7.3 Programme Implementation

Audit objectives: To assess whether major interventions were carried out as per guidelines, framework and manuals in an efficient manner

Program implementation deals with release of various grants to schools, availability of Primary and Upper Primary schools, distribution of free text

¹⁷ Para 70, 89.1 and 89.3 of Manual of Financial Management and Procurement

books, creation of school infrastructure, interventions for special focus groups and quality of education *vis-a-vis* access to computers, availability of classrooms, Pupil Teacher Ratio, availability of qualified teachers and teacher training. Irregularities noticed by audit in the programme implementation are discussed below:

1.1.7.3.1 Deficiencies in release of grants to school

As per norms¹⁸, Teacher Grant (TG) at the rate of ₹ 500 per teacher per year was to be provided annually to all teachers for using self-developed, low cost, locally available teaching learning material. School Grant (SG) at the rate of ₹ 5,000 per year per primary school and ₹ 7,000 per year per upper primary schools was to be provided for replacing non-functional school equipment and for incurring on other recurring cost. Maintenance Grants (MG) up to ₹ 5,000 per schools with three class rooms and up to ₹ 10,000 for schools with more than three classrooms for annual maintenance and repair of existing school building and other facilities were also to be provided.

Test-check of records at the SMA revealed that during 2010-11 an amount of ₹ 4.25 crore¹⁹ was released directly to schools through e-transfer as TG, SG and MG to 2,768 schools. On comparison with DISE data for 2010-11²⁰, it was seen that 753 schools did not receive MG, 176 schools did not receive SG and 5,208 teachers did not receive TG. Against their entitlement of ₹ 37.85 lakh as MG, 390 schools received ₹ 64.16 lakh while 49 building-less schools and one abolished school received ₹ 2.98 lakh as MG lakh resulting in excess payment of ₹ 29.29 lakh²¹.

Test-check of records of DPO, Ukhrul revealed that grants amounting to ₹ 7.71 lakh for the year 2009-10 meant for Chingai Block were fully released, after considerable delay, in the third quarter of 2010-11 due to which there was a likelihood of maintenance works *etc.*, not been taken up in time.

Irregularities in release of much needed school level grants are likely to vitiate the effective implementation of the scheme and resultant quality of education in the affected schools.

The SMA (December 2011) stated that funds were released as approved by PAB based on DISE data 2009-10. The reply is not acceptable as release of funds has to be on the basis of ground realities during 2010-11. Further, misappropriation of MG released to building-less schools and abolished school cannot be ruled out.

¹⁸ Sl. No. 7(a), 9 and 10 under Para 1.9.10 of Framework for Implementation 2008

¹⁹

Maintenance Grant		School Grant		Teacher Grant			Total Released	
No of schools	Amount	No of schools	Amount	No of schools	No of teachers	Amount	No of schools	Amount
2,182	1,96,51,000	2,759	1,75,88,500	2,726	10,527	52,63,500	2,768	4,25,03,000

²⁰ Which recorded 15,786 teachers in 2,935 Government and aided schools in the State

²¹ (₹ 64.16 lakh - ₹ 37.85 lakh) + ₹ 2.98 lakh

1.1.7.3.2 Requirement for number of schools, classrooms, Pupil Teacher Ratio (PTR) and female teachers not fulfilled

The DISE records for the years 2006-11 were analyzed to ascertain adherence to norms for number of schools, classrooms and PTR. Audit findings are given below:

(i) Number of schools

As per norms²², there should be one Upper Primary school (UPS) for every two Primary schools (PS). During 2006–11, the number of PS ranged from 2,260 to 2,421. Number of UPS ranged from 696 to 725 against requirement of UPS ranging from 1,130 to 1,211. Details of availability of PS, UPS and shortage of UPS during the period covered by this review are given below:

Year	Existing PS	No of UPS required	Existing UPS ²³	Shortage of UPS	Shortage percentage
2006-07	2,400	1,200	725	475	39.58
2007-08	2,421	1,211	709	502	41.43
2008-09	2,414	1,207	706	501	41.51
2009-10	2,385	1,193	722	471	39.45
2010-11	2,260	1,130	696	434	38.41

Source: DISE database

The *percentage* of shortfall of UPS was maximum in 2008-09 and least in 2010-11. In all the five years shortage was maximum in Senapati District. Bishnupur District had the least shortage in three years. Details of district wise comparison is given in **Chart-A of Appendix-1.3**. In view of the shortages, children completing primary stage would face hardship in getting admission to upper primary stage.

As per revised norms notified (October 2010) by GoM²⁴, a PS has to be established within walking distance of one km of each habitation²⁵ and a UPS within walking distance of three km of each habitation. As on date of audit (September 2011), there were 312 habitations in the State that were not served by any form of education facility. There were 201 habitations served only by EGS²⁶ centres. There were 158 habitations served by primary schools but un-served by upper primary schools. Therefore, GoM needs to gear up efforts to cover the un-served habitations if the goal of UEE is to be achieved in the near future.

The SMA (December 2011) while stating that PAB 2011-12 had approved up-gradation of 158 PS to UPS added that based on school mapping using Global

²² Intervention No 3 under Para 1.9.10 of Framework of Implementation-2008

²³ Schools having both Primary and Upper Primary are also counted.

²⁴ Section 4(a)&(b) of Right of Children to Free and Compulsory Education Rules, 2010 as notified by GoM

²⁵ As per Para 5(a) of Annexure 3 to Seventh All India School Education Survey conducted by National Council Of Educational Research And Training, New Delhi, a habitation is a distinct cluster of houses existing in a compact and contiguous manner; with a local name; and its population should not be less than 25 in plain areas and not less than 10 in hilly/desert/sparsely populated areas. In case there exists more than one such cluster of houses in a village, they will not be treated as separate habitations unless the convenient walking distance between them is more than 200 meters.

²⁶ EGS is an important component of SSA to bring out-of-school children in the fold of Elementary Education. EGS addresses the inaccessible habitations where there is no formal school within the radius of one Km and at least 15–25 children of 6–14 years age group who are not going to school are available. In exceptional cases remote habitations in hilly areas even for 10 children an EGS centre can be opened.

Positioning System (GPS), ground distances between schools and habitations are being worked out to identify actual gap of UPS for all nine districts. Progress in this regard has not been furnished to audit (February 2012).

(ii) Number of classrooms

Classroom infrastructure is essential for successful implementation of the Programme. As per norm²⁷, there should be two classrooms with verandah in every Primary School.

Test-check of DISE data revealed that during 2006-07, out of 3,125 schools in the State (PS plus UPS), 169 schools (5.4 *per cent*) did not have two classrooms. By 2010-11, there were 541 schools (18.3 *per cent*) without two classrooms. The number of schools which did not have classroom during these two years was 94 and 484 respectively. The availability of classrooms during five years are shown in the table below.

Number of classrooms available in Government and Aided Schools

Year	2006-07	2007-08	2008-09	2009-10	2010-11
Total No of Schools	3,125	3,130	3,120	3,107	2,956
No of Schools without Classroom	94	69	44	671	484
No of Schools with only one Classroom	75	63	60	58	57
No of Schools with more than one Classrooms	2,956	2,998	3,016	2,378	2,415

Source: DISE data



During school visits, it was seen that two classes were run from the same classroom in Toupokpi Govt Jr. HS, while in Balaram Khul PS, three classes were run from one classroom as can be seen from the adjoining picture. Both these schools are located in Bishnupur District. On the other extreme, one classroom each of Sunusiphai PS and Upokpi PS of Bishnupur District were used as cow shed. Thus, non-availability of adequate classrooms impacted the quality of education imparted in Government and aided schools.

The matter was reported to the Government (December 2011), for which reply has not been furnished (February 2012).

The gap in number of classrooms was all the more glaring as the SMA was unable to create sufficient Additional Class Rooms (ACRs) inspite of full budgetary support as highlighted in Para 1.1.7.3.4.

(iii) Pupil Teacher Ratio (PTR)

As per norms²⁸, there should be one teacher for every 40 children in PS and UPS. There should be at least two teachers in a PS and one teacher for every class in the UPS.

Test-check of DISE data for enrolment and posting of teachers in Government and Aided schools during the 2006 -11 revealed that that PTR for the State as

²⁷ Intervention No 4 under Para 1.9.10 of Framework of Implementation - 2008

²⁸ Intervention No 1 under Para 1.9.10 of Framework of Implementation - 2008

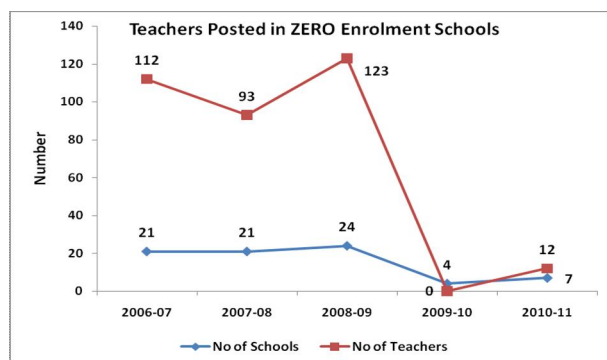
a whole was within norms except in 2008-09 when the PTR was 43.5. However, scrutiny of enrolment and posting of teachers in individual schools revealed that the number of schools where PTR exceeded 40 ranged from 383 to 970 during the period. The trend for the five years is shown in the table below.

PTR in Government and Aided Schools in the State

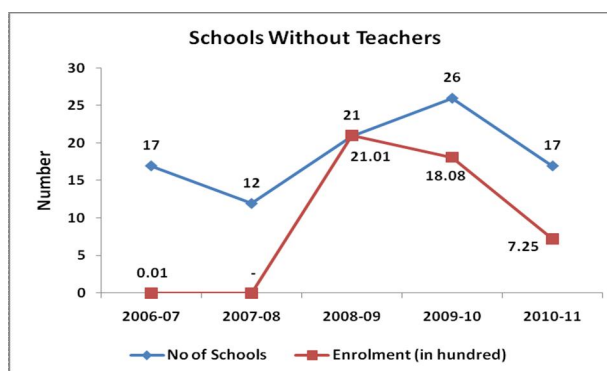
Year	2006-07	2007-08	2008-09	2009-10	2010-11
PTR for State as a whole	24.35	23.28	43.50	24.47	21.63
Number of Schools where PTR is greater than 40	536	465	970	464	383

Source: DISE data

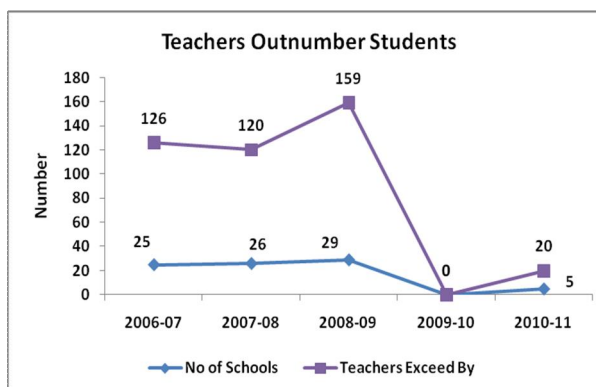
Closer scrutiny of school level data revealed that teachers were posted in school where there was zero enrolment; some schools with enrolment did not have teachers; in some schools the number of teachers posted was more than the number of students enrolled.



During 2006-11, the number of schools without enrolment ranged from 4 to 24. As much as 123 teachers were posted in these schools during the period. Trend during the period is shown in the adjoining chart. Further scrutiny of these schools revealed that one school did not have enrolment during three years while 12 schools did not have enrolment during two years during 2006-11, as shown in **Table-A of Appendix-1.3 A**.



On the other extreme, the number of schools without teachers ranged from 12 to 26 during the same period. As can be seen from the adjoining chart, these teacher-less schools had as much as 2101 students enrolled during 2008-09. Further scrutiny of these teacher-less schools revealed that one school did not have teachers during four years while six other schools did not have teachers during three years and a further four schools were teacher-less during two years as shown in **Table-B of Appendix-1.3 A**.



It was seen that except in 2009-10, there were schools in which teachers posted outnumbered students enrolled. For instance in 2008-09, teachers posted in 29 schools outnumbered students enrolled by 159. The trend over the period covered by review is shown in the adjoining chart. Further scrutiny revealed that in fifteen schools, teachers outnumbered students for two consecutive years as shown in **Table C of Appendix-1.3 A**.

The district wise trend of PTR and other irregularities as stated above for the five year period are shown in **Charts B to I of Appendix-1.3**.

From the above it is apparent that the posting of teachers has not been planned and monitored properly. Human resource was wasted due to posting of teachers in schools where there was no enrolment or posting them far in excess of requirement in some schools to the extent of teachers outnumbering students. The irrational posting of teachers deprived large number of students their right to elementary education as no teachers were available in the schools they were enrolled. Therefore, there is an urgent need to put in place a system that would ensure posting of teachers in proportion to enrolment.

The SMA (December 2011) stated that, after finalization of recruitment of 1544 teacher approved by PAB 2011-12, PTR will be maintained as per SSA/RTE norms. The reply is not acceptable because as of March 2011, the PTR for the whole State was 21.63 as shown in the table given in the previous page, which was well within the norms and hence more teachers are not required. There is a need to ensure that teachers are posted in schools as per enrolment.

1.1.7.3.3 Delay in delivery of free text books

As per norms²⁹, free text books are to be provided to all children within an upper ceiling of ₹ 150 per child at Primary level and ₹ 250 per child at Upper Primary level. As per the SMA and Director of Education (S) records, academic sessions commenced in the first week of February of 2006 to 2009, while academic sessions commenced in the first week of April in 2010 and 2011. For the intervention to be effective, text books should reach students on or before commencement of each academic session.

As per information furnished by the SMA, 81.82 lakh text books were procured from Board of Secondary Education Manipur (BSEM) at a cost of ₹ 18.34 crore for academic sessions of 2006-11. Test-check of related records revealed that the supply orders were placed a month prior to commencement of each academic year stipulating that text books be delivered within a month of placing order. The SMA received the text books at the commencement of academic session (February) only in 2007, while for academic sessions of 2006 and 2008, text books were received during March of the year which was one full month after commencement of academic session. In 2009 and 2010, the SMA received text books two months (April 2009) and three months (July 2010) respectively after commencement of the academic sessions. Details are given in **Appendix-1.4**. As per information furnished by SMA (October 2011), distribution of free text books to the districts for 2011 commenced in May 2011 and was completed only in August 2011, *i.e.* after a delay ranging from one to four months after the commencement of academic session.

There was further delay in actual issue of text books to the schools as seen from records in the districts visited by the Audit team. In Imphal East District, text books for 2010 were distributed to schools from July 2010 to November 2010 while distribution for 2011 which commenced in June 2011 was yet to be completed as on date of audit (August 2011). In Bishnupur District, distribution of text books to schools for 2010 which commenced in July 2010

²⁹ Intervention No 5 under Para 1.9.10, Framework for Implementation–2008



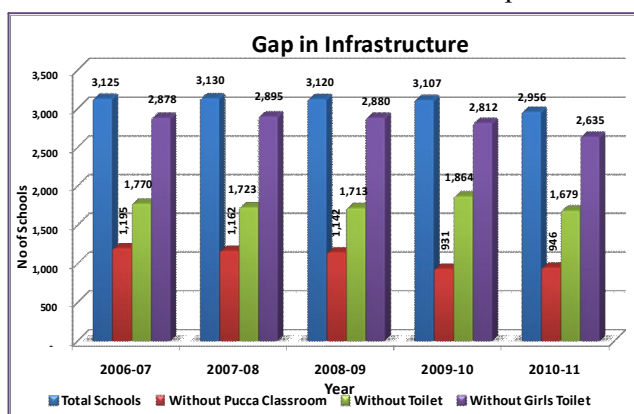
was completed only in November 2010, while distribution for 2011 was yet to be complete as on date of audit (September 2011). In Ukhrul District, huge stock of books was still lying (September 2011) in the office premises of the District Project Office as shown in the adjoining picture.

The SMA attributed (February 2012) the delays to the supplier's inability to have access to paper and printing presses. The reply is not acceptable. Taking into account local conditions, it would have been more appropriate had the order been given well in advance and not only one month ahead of academic session. The inordinate delays in the free text books reaching schools defeats the very purpose of the scheme objective as books reach students almost at the end of academic session which affects the quality of education.

1.1.7.3.4 Irregularities in execution of civil works

As per norms³⁰, up to 33 per cent of the entire project cost approved by the Project Approval Board can be utilised towards meeting infrastructure gaps, for improvement of school facilities, BRC/CRC construction, procurement of furniture and construction of hostel in existing government Upper Primary School. Irregularities in execution of civil works and infrastructure gaps noticed during course of audit are highlighted in the following paragraphs:

(i) **Failure to create adequate infrastructure:** As per information furnished by the SMA (June 2011), 2,462 Additional Class Rooms (ACRs) were sanctioned at a cost of ₹ 67.31 crore during 2006-11. Out of these, only 222 ACRs (*i.e.*, 9.02 per cent) were completed as on date of audit. The SMA did not have any report or information in respect of 719 ACRs (29.20 per cent) while work on 311 ACRs (12.63 per cent) was yet to be taken up. Work in respect of only 1210 ACRs (49.15 per cent) was in progress. The tardy progress in creation of ACRs resulted in 484 schools not having any classrooms as of 2010-11 as pointed out in Para 1.1.7.3.2 (ii).



This failure has also resulted in 946 schools (32.00 per cent) not having pucca classroom as of 2010-11 as shown in the adjoining chart.

The SMA did not provide details of toilets/separate girls toilet (SGT) sanctioned and created during 2006-11 though called for. However, analysis of DISE data showed that 1,679 schools (56.80 per cent) did not have toilet while a whopping 2,635 schools (89.14 per cent) did

not have SGT as of 2010-11. Trend of gap in infrastructure is given in the above chart. Failure to create adequate infrastructure is bound to affect not

³⁰ Intervention No 6 under Para 1.9.10 of the Framework for Implementation – 2008

only the quality of education but also fail in attracting students and retaining them in schools.

The SMA (December 2011) stated that 960 out of the 2466 ACRs (*i.e.* 38.93 *per cent*) sanctioned during 2006-11 have been completed while work on 1024 ACRs sanctioned in 2010-11 was affected by the Hon'ble High Court's stay order. The SMA admitted that 406 ACRs were originally sanctioned without stating name of schools and the same was stated to have since been updated. The SMA's claim of progress cannot be substantiated as only seven out of the 82 ACRs (8.54 *per cent*) sanctioned in the schools visited by audit (August – September 2011) were completed (**Table A & B of Appendix-1.5**), indicating tardy execution of work. The SMA's reply also brings out the slow pace in construction as 482³¹ ACRs sanctioned prior to 2010-11 are yet to be completed as of December 2011.

(ii) ACRs un-accounted: Scrutiny of data furnished by the SMA revealed that in the schools visited by Audit, 82 ACRs for 38 schools costing ₹ 2.52 crore was sanctioned during 2006-11. However, on the ground construction of 42 ACRs costing ₹ 1.37 crore was either not visible on field visits or denied to have been received by the respective schools and therefore remained unaccounted for. Details are given in **Table A of Appendix-1.5**. In this regard, audit noticed the following irregularities in respect of some of the ACRs/schools.

Though an amount of ₹ 6.40 lakh was already released for two ACRs of Greenland SV, Ukhrul, the school authorities were not aware of the release as on date of audit (September 2011). Similarly, Bishnupur Chingning (Muslim) LP School was yet to receive funds for three ACRs where audit saw barbed wire fencing though a boundary wall sanctioned. No work had been taken up or seen in field visits in Hatha SV, Ukhrul (3 ACRs); New Cannan PS, Ukhrul (5 ACRs); Phubala Jr. High School, Bishnupur (2 ACRs); Bashikhong Jr. High School, Imphal east (2 ACRs) and Itam Nungoi L.P. School, Imphal East (2 out of 4 ACRs). Though roofs of Luiyainaotang SV, Ukhrul and a room of Ngaikhong H.S., Bishnupur had been blown off, work for 6 ACRs in these schools had been started.

The SMA (December 2011) stated that The Hon'ble High Court's stay order had affected release of funds for 24 ACRs in schools visited by audit and the works are since taken up. Pay order for the 2 ACRs sanctioned for Greenland SV was delayed due to court case and repairing work will be taken up in 2012-13 programme. The reply is still silent on 18 (42–24) ACRs which were not visible to Audit. Since the ACRs have remained unaccounted for prolonged period, misappropriation of fund meant for these ACRs cannot be ruled out and also reflects poorly on the internal control and monitoring mechanism in the SMA.

(iii) Substandard construction: Manipur falls in Seismic Zone–V which is a highest risk zone for earthquake. National Disaster Management Division, GOI prescribes stringent construction norms for Seismic Zone–V wherein horizontal reinforced bands at roof/floor/lintel levels and vertical reinforcement at the corners of wall are mandatory.

³¹ 2466 – 1024 – 960 = 482

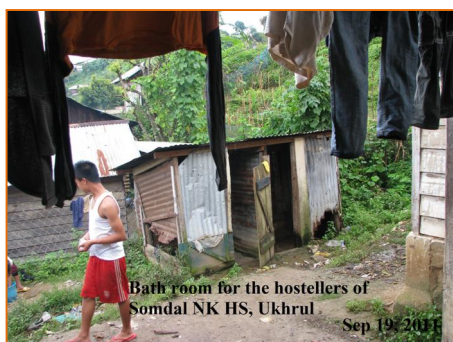


During visits to schools, RCC reinforcements were seen in 8 ACRs of three schools³² only. In the remaining 32 ACRs³³ valued at ₹ 91.54 lakh, no RCC column/lintel beams were provided. The audit team saw at Greenland SV, Ukhrul the grave risk to life as these substandard constructions developed huge cracks as can be seen from the adjoining picture. The Headmistress stated that the cracks had developed after an earthquake that occurred on September 4, 2011.

Further, though the sanctioned civil works were to be pucca structures, a wooden ACR (Hoomi Jr. HS, Ukhrul) and wooden SGT (VPH PS, Ukhrul) were seen in two schools. Audit could also gauge the poor quality of construction from one ACR in Waroiching PS, Bishnupur which had crumbled even before construction was completed.

The SMA (December 2011) stated that there is no RCC provision in the columns in the SSA's approved specifications and estimate and the crumbling ACR at Waroiching P/S will be improved with better quality of construction. The reply indicates indifference to the risk posed by the substandard construction. The SMA needs to ensure that school buildings are reinforced appropriately before any disaster happens.

(iv) Unmet need: Para 7.4 of Framework for Implementation, 2008 states that residential hostels for children in remote and sparsely populated blocks of tribal, desert and hilly districts can be provided under SSA.



During visit to Somdal Jr. HS, located in an interior village of Ukhrul District, it was seen that a good number of students (both boys and girls) from nearby villages were staying in the hostel run by the school. The bathroom used by the hostellers was dilapidated as can be seen from the adjoining picture. Though there is provision, no special attention was given for implementation of the scheme in deserving school. Poor quality of bathroom was likely to affect the hygiene and health of the students.

The matter was reported to the Government (December 2011), for which reply has not been furnished (February 2012).

(v) Other irregularities: Test-check of information furnished by the SMA revealed that three ACRs, three toilets, boundary wall and electrification were sanctioned for Upokpi PS, Bishnupur. When audit team visited the school, it was seen that only 22 students were enrolled in the school and only two out of four existing classrooms were utilized. Three ACRs and one toilet were under construction. There was neither a boundary wall nor electrical connection/wiring and thus, leakage of funds cannot be ruled out. Moreover, sanctioning three ACRs (worth ₹ 7.36 lakh) without assessing the actual requirement indicates faulty planning and tantamount infructuous expenditure.

The matter was reported to the Government (December 2011), for which reply has not been furnished (February 2012).

³² Balaram Khul L.P.S, Phojing Girls PS and Chanam Sandrook P/S.

³³ 82 – 42(unaccounted) – 8 (RCC works) = 32

1.1.7.3.5 Computer Aided Learning

As per norms³⁴, the focus upon Computer Aided Learning (CAL) will be given in UPS to create computer aided education facilities in the districts. Hardware, software, training, maintenance and resource support could be included in this component. The intervention was introduced in 2005-06 in Bishnupur district only and thereafter, all the districts were covered in 2009-10. During 2006-11, an amount of ₹ 8.75 crore was spent on CAL which included provision made during 2009-10 for Computer Lab in 135 schools at a cost of ₹ 4.45 crore and provision made again in 2010-11 for Multi-Seat Solution Computer Lab in 90 schools at a cost of ₹ 4.14 crore. Audit analysed the contract for providing Computer Lab in 135 schools and the result are discussed in the following paragraphs:

(i) **Undue benefit to contractor:** The SMA signed contract agreement (March 2010) with MANITRON³⁵ for installation and commissioning of Computer Lab in 135 UPS/Cluster Resource Centres (CRC) at a cost of ₹ 4.45 crore³⁶ with stipulation to complete the same by June 1, 2010. The SMA was to retain ₹ 38.3 lakh³⁷ as security deposit for ensuring maintenance for four years. MANITRON was to be paid ₹ 2.69 crore³⁸ as advance. The remaining amount was to be paid in two installments amounting to ₹ 1.03 crore and ₹ 34.48 lakh respectively. The final payment was to be made only after commissioning of all the 135 Computer Labs.

Scrutiny of records at SMA revealed that MANITRON was paid the full net amount of ₹ 4.06 crore in March 2010 through three cheques of amount equal to the installments stated above. However, it was seen that installation of Computer Labs commenced only in January 2011 *i.e.*, full eight months after scheduled date of completion. As on date of audit (July 2011), Computer Labs were installed/commissioned in only 117 UPS/CRC leaving a balance of 18 Computer Labs. Thus, MANITRON was given undue benefit by giving full payment even before commencement of the work and also in granting advance payment to the tune 60.45 *per cent*³⁹ of cost. The action of the SMA also resulted in loss of interest income that could have accrued on the amount of ₹ 4.06 crore.

Further, as per the contract, each identified school was to receive a one KVA solar power system costing ₹ 1.70 lakh. During visits to schools, it was seen that Ngaimu Jr. HS, Ukhrul had received a generator. The headmaster of Chadong Jr. HS, Ukhrul District stated that his school was given one generator instead of solar power system. In another five schools solar power systems were neither installed nor received (**Appendix-1.6**). It was seen that none of these schools was electrified and without solar power system it would not be possible to derive full benefit of the computer aided education facility as schools were not provided funds for meeting the recurring cost of running a

³⁴ Intervention No 17 under Para 1.9.10 of the Framework for Implementation – 2008

³⁵ Manipur Electronics Development Corporation Ltd

³⁶ Civil and electrical accessories – ₹ 61.66 lakh; Computer and solar power systems – ₹ 3.83 crore

³⁷ Being 10 per cent of the cost for computer and solar power systems.

³⁸ Full cost of civil and electrical accessories plus 60 per cent of cost for computer and solar power systems

³⁹ ₹ 2.69 crore out of ₹ 4.45 crore

generator. Thus the contractor was again given undue benefit at the expense of the Scheme.

The SMA stated (December 2011 and February 2012) that cheques/Pay orders were prepared to avoid fund lapse at the end of the financial year and the final instalment of ₹ 34.38 lakh was retained in the form of a demand draft dated March 2010 drawn in favour of MANITRON, as process of installing computers was not complete. The Executive Committee had granted time extension till end of February 2012 for completing installation failing which proportionate amount would be deducted from the final payment. The final outcome was not known as of February 2012. The reply is not acceptable as action of the SMA was against norms of financial propriety and had resulted in loss of interest income. Moreover, validity of the demand draft in question had also expired. Further, non-enforcement of the time schedule of the contract deprived intended beneficiaries from the benefit of computer aided education facilities.

(ii) Benefit of computer aided education facilities denied: Test-check of records at the SMA revealed that out of the 66 schools visited by the audit team, 15 schools had received either Computer Lab or Multi-Seat Solution Computer Lab (**Appendix-1.6**).

However, computers facilities were seen in only seven schools. In four schools⁴⁰, computers were stated to be kept at the Headmaster's residence. In another three schools⁴¹, computers were not available/could not be shown to the audit team. At Andro Jr. HS, though the computer room with all electrical installations was in place, computers were kept at the cook's house as the room was occupied by labourers engaged in construction of new classrooms. These facts were verified in the presence of the headmaster concerned on the day of school visit. Thus, the benefit of computer aided education facilities were denied in seven schools inspected by audit.

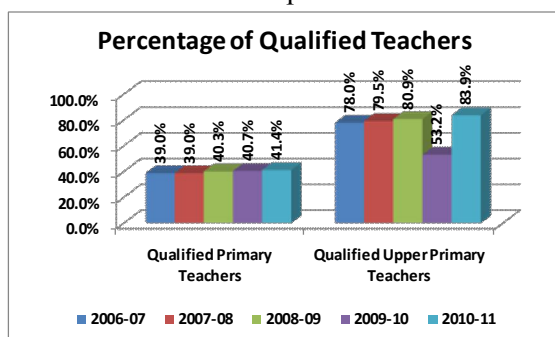
The SMA (December 2011) stated that computers have been recovered from the headmasters and kept in the custody of the concerned DPO. Reply is not acceptable as keeping computers meant for schools at the DPO defeats the very objective of computer aided learning.

1.1.7.4 *Quality of education standards and research and development*

1.1.7.4.1 *Availability of qualified teachers*

As per National Council for Teachers Education (NCTE), the minimum qualification for a teacher of Classes I-V (Primary Stage) was Senior Secondary or its equivalent and pass in the Teacher Eligibility Test (TET). Further minimum qualification for a teacher of Classes VI-VIII (Upper Primary Stage) was Graduate with Bachelor in Education (B.Ed) and pass in the TET.

Test-check of DISE database revealed that during 2006-11, the number of qualified primary



⁴⁰ Khoijuman Jr. H/S, Toupokpi Govt. Jr. H/S, Chadong Jr HS and Grihang SPM Jr HS

⁴¹ Hoomi Jr. HS, Ngaikhong HS and Ningthi Jr HS

teachers ranged from 39.00 to 41.40 *per cent* while the number of qualified upper primary teachers ranged from 53.20 to 83.90 *per cent* as shown in the adjoining chart. Non availability of sufficient qualified teachers at primary stage is bound to have an adverse impact on the quality of elementary education imparted in the State.

1.1.7.4.2 Excess expenditure on teachers' training

As per norms⁴², five categories of trainings were to be imparted to teachers as enumerated at **Appendix-1.7**, out of which three categories of trainings were to be conducted every year.

The SMA could not provide comprehensive⁴³ data on the number of teachers under the various categories trained though called for (June 2011). Hence, audit was unable to comment on implementation of the mandatory teachers training as stated above.

The SMA stated (July 2011) that expenditure of ₹ 5.35 crore was incurred in training 52,899 teachers during 2006-11. An analysis of training data revealed that in 2009-10 and 2010-11, 154 *per cent* and 144 *per cent* of teachers recorded by DISE were claimed to have been trained. Thus, there were excess expenditure of ₹ 1.32 crore as shown in **Appendix-1.7 A** on this account.

The SMA (December 2011) stated that due to late release of funds, the training of teachers got overlapped with previous and current years' training. The claim could not be substantiated as details of trainings conducted could not be made available to audit as stated above.

1.1.7.4.3 Doubtful training

Test-check of records of DPO, Imphal East District revealed that an expenditure of ₹ 12.45 lakh was incurred in training 1,215 teachers through three training sessions conducted during 2009-10 and 2010-11. An analysis of expenditure of ₹ 4.29 lakh on honorarium to resource persons (at the rate of ₹ 500 per training period) revealed that 25, 27 and 34 training periods per day would have to be conducted in the three sessions to justify the amount paid. However, the DPO was not able to furnish training time-table to justify the claim. Thus audit could not ascertain the genuineness of the actual conduct of the training sessions.

The SMA (December 2011) claimed that in all 740 training classes were conducted at four locations by holding multiple sections in each centre during the course of training period. This contention was not acceptable as it would have entailed expenditure of only ₹ 3.70 lakh (740x500) on honorarium to resource persons as against actual expenditure of ₹ 4.29 lakh for 858 training classes.

Thus, the SMA had not followed any norms as stipulated in the SSA framework and incomplete and different data made available to audit raised serious doubt about number of teachers trained and quality and effectiveness of such training.

⁴² Intervention No 11 under Para 1.9.10 of the Framework for Implementation – 2008

⁴³ Partial data furnished by ZEO Wangoi, DCO Pedagogy Thoubal, ADOP SSA Sadar Hills and DPO SSA Chandel only

1.1.7.5 Coverage of Special Focus Groups

1.1.7.5.1 Out of School Children (OoSC)

As per norms⁴⁴, all OoSC should be admitted in an age-appropriate class and provided 'special training', preferably incorporating a component of life-skills training in residential education programme, to enable them to keep pace with other students.

As per record maintained at the SMA, OoSC were stated to be covered through EGS Centres, Residential/Non-Residential Special Training Centres, Residential/Non-Residential Bridge Course Centres and Madrasa/Maktab Centres. The number of children covered through these interventions in 2006-07 was 55,803 which declined to 17,239 by 2009-10 and again increased to 24,945 in 2010-11. Thus, the coverage of OoSC has declined by 55.30 *per cent* in 2010-11 as compared to 2006-07. This raises serious doubts on the quality and effectiveness of the interventions targeted at OoSCs.

The SMA (February 2011) stated that decline in coverage of OoSC over the years was due to mainstreaming of increasing number of children to formal schools. Since total enrolment in Government and Aided schools gradually declined from 2.49 lakh in 2006-07 to 2.31 lakh by 2010-11, the contention of SMA cannot be accepted.

1.1.7.5.2 Irregularities in Procurement for Special Focus Groups

During 2009-11, the SMA procured uniforms, school bags, school shoes, rain coats, stationery item *etc.*, worth ₹ 13.44 crore as incentives for targeted SC/ST children, girls, urban deprived children (UD), BPL children and Children with Special Needs (CWSN). By March 2011, the contractors were paid the full amount of ₹ 13.44 crore without deducting income tax at source as required under the agreement. The matter was reported to the Government (December 2011) and no reply was received (February 2012).

Irregularities noticed during scrutiny of the procurements are discussed in the following paragraphs:

(i) Excess procurement

As per DISE records 2010-11, the number of Girls and SC/ST children enrolled in schools was 1,99,458. There was no enrolment record in respect of BPL boys.

Against this, the SMA placed a supply order for 2,38,565 uniforms with a Siliguri based firm (March 2011) for ₹ 9.52 crore. This resulted in procurement of 39,107 uniforms worth ₹ 1.56 crore in excess of requirement. The SMA also flouted norms⁴⁵ as the procurement of school uniforms had to be decentralised at the SMC level.

Similarly, though only 4,492 CWSN were enrolled during 2010-11, exercise books (@ 14 number per students) and school bags were purchased for 7,816 CWSN. This resulted in excess procurement of 46,536⁴⁶ exercise books worth ₹ 9.54 lakh and 3,324 schools bags worth ₹ 6.91 lakh.

⁴⁴ Para 5.3.8 of Revised Framework of Implementation

⁴⁵ Para 2.5.6.1 of Revised Framework of Implementation

⁴⁶ (7816 – 4492) = 3324 x 14 = 46536

Further, though there were no records on enrolment of Urban Deprived children (UD), the SMA purchased 9,619 school bags worth ₹ 19.84 lakh⁴⁷ during 2009-11 for this category. In absence of enrolment data, this is a clear case of procurement without need, thus resulting in wasteful expenditure to this extent.

Thus, the above stated procurements resulted in excess expenditure of ₹ 1.92 crore⁴⁸ during 2009-11. Procurement of material in excess of actual requirement also entailed possibility of pilferage, degradation of quality and leakage of resources.

The SMA (December 2011) stated that number of beneficiaries for school uniforms and urban deprived category was approved in the supplementary PAB, 2010-11 as BPL Boys and Urban Deprived children were entitled category under Inclusive Education based on enrolment of urban school as recorded by DISE. While Audit does not question the entitlement of BPL boys and Urban Deprived children, the objection is on the procurement of material for them when there was no record of the number of children enrolled under these two categories. Such action is fraught with the risk of leakage and misappropriation of funds in addition to causing wasteful expenditure.

(ii) Substandard material

The contract for supply of 150 sets of play/game materials (swing, steel slide and see-saw) was awarded (September 2010) to Bharat Swings and Slide Industry, Haryana for ₹ 1.05 crore. As per the contract document, steel slides should have total height of 6 feet, outer width of slide 17 inch, slope length of 14 feet and 6 numbers of steps. The full contract amount was paid (March 2011) after two days of delivery



However, during school visits, it was seen that the slides installed in various schools would at most be 4 to 4.5 feet high and the length of slope was also much shorter than the specified 14 feet as can be seen from the adjoining picture. On this being pointed out, the SMA claimed (December 2011) that full payment was made only after an inquiry team had examined and verified that all materials were as per specifications. This claim could not be sustained because during joint inspection (January 2012) of slides installed in three schools by officials of SSA and audit, height of the

slides ranged from 4ft 11in to 5ft 10in while length of slope ranged from 8ft 2in to 10ft 11.5in which were much less than specifications. Details of finding during joint inspection are given at **Appendix-1.8**.

Thus, the SMA took delivery of 150 substandard slides costing ₹ 44.89 lakh⁴⁹ not only causing wasteful expenditure but also depriving the beneficiaries from the intended use of the material.

⁴⁷ 2000 school bags @ ₹ 200 + 7619 school bags @ ₹ 208 = ₹ 19,84,752

⁴⁸ Uniforms ₹ 1.56 crore + Ex Books ₹ 9.54 lakh + s/bags for CWSN ₹ 6.91 lakh + s/bags for UD ₹ 19.84 lakh = ₹ 1.92 crore

⁴⁹ 150 slides @ ₹ 29,925 = ₹ 44,88,750

(iii) Undue benefit to the contractor

School uniforms: As per contract agreement for supply of school uniforms (Para 1.1.7.5.2(i)), the contractor was to be paid only after uniforms supplied had been inspected and certified. Further, contractor's security deposit of ₹ 47.59 lakh was to be refunded only after receiving all uniforms as per the supply order.

Scrutiny of SMA records revealed that the firm was paid full value of the contract (₹ 9.52 crore) in March 2011. The contractor's security deposit was also refunded in March 2011, ostensibly on the supplier giving commitment that the full quantity of stitched school uniforms will be delivered within 31 March 2011. Copy of written commitment from the supplier was however not available in the file. However, as on date of audit (July 2011), school uniform sets worth ₹ 1.14 crore were yet to be delivered. Thus, the contractor was given undue benefit through premature payments at the expense of the scheme which also resulted in loss of interest income on ₹ 1.62 crore⁵⁰. Further, as the full amount was already paid and SD was also refunded, the SMA had no scope of safeguarding the interest of the department if the contractor were to supply defective/substandard material.

The SMA (December 2011) while contesting that there was no loss of interest stated that cheques in respect of supply of school uniforms were prepared in March 2011 for covering the committed liabilities. Final payment was made to the contractor in October 2011 after the goods were received and verified. The reply is not acceptable because all cheques drawn against the contract were encashed by June 22, 2011 as seen from the SMA's bank account statement.

Play/game material: Further, as per contract agreement for supply of play/game material (Para 1.1.7.5.2 (ii)), contractor's security deposit was to be released only after expiry of the warranty period, which extends for three months after delivery. However, scrutiny of records at the SMA revealed that the security deposit amounting to ₹ 5.24 lakh was refunded (March 2011) within a few days from the date of delivery though it was not due till June 2011. Thus, contractor was given undue benefit leaving the SMA without any scope for rectification of defects that could arise later on.

The SMA (December 2011) stated that security deposit in respect of play/game materials was refunded in March 2011 to avoid lapse of fund after an inquiry team examined and certified that the materials were as per specifications. The reply is not acceptable as the SMA had gone against the provision of the agreement. Moreover, there was no way the inquiry team could have foreseen that no defect would occur during the warranty period.

School uniforms & Play/game material: Scrutiny of delivery challans and stock register revealed that play/game materials from Haryana and school uniforms from Siliguri were received in Manipur on the same day⁵¹ they were dispatched from these distant places. Thus, supply of play/game materials and school uniforms from these distant places was doubtful, raising the possibility that the materials were obtained locally to the advantage/benefit of the contractors.

⁵⁰ ₹ 1.14 crore + ₹ 47.59 lakh

⁵¹ March 5, 25 & 28, 2011 for school uniforms and March 3, 2011 for play/game material

The SMA (December 2011) claimed that school uniforms and play/game materials were delivered in 7 to 15 days after their dispatch. This reply is not acceptable as documents produced during the course of audit clearly revealed that dates of dispatch and receipts were same.

(iv) Unaccounted stock

Exercise books: Test-check of SMA records revealed that 1,76,911 exercise books procured (March and December 2010) for ₹ 36.60 lakh⁵² were not taken into the stock register. These were targeted for CWSNs and SC/ST children. However, scrutiny of stock register and incentive issue register revealed that 78,311 exercise books were issued as on date of audit (June 2011). This left 98,600 exercise books worth ₹ 20.71 lakh (@ ₹ 20.5) unaccounted. Further scrutiny of records of DPO, Ukhrul revealed that 12,000 exercise books worth ₹ 2 lakh were procured (March 2011) for girls education programme. Out of these, 2,379 exercise books were distributed which left a stock balance of 9,621, as on date of audit (September 2011). However only 1,600 exercise books were found on physical verification. This left 8,021 exercise books valued at ₹ 1.34 lakh⁵³ unaccounted. Thus, misappropriation of exercise book worth ₹ 22.05 lakh due to unaccounted stock cannot be ruled out. Further, this also deprived the intended beneficiaries of their incentive to attend school.

School bags: The SMA placed supply order for 25,374 school bags worth ₹ 50.75 lakh (March 2010) with Ken Bag Industries, Imphal for free distribution under SC/ST, girls education and urban deprived children. Though the supplier was paid the full amount (March 2010), material was not taken into stock register till the date of audit (June 2011) and hence remained unaccounted thereby depriving the beneficiaries from their intended use.

Non-accountal of material worth ₹ 72.80 lakh⁵⁴ for over seven months is a serious issue and indicative of lack of proper internal controls in the SMA. Such practice also leaves ample scope for misappropriation of funds and calls for investigation.

The SMA (December 2011) submitted a copy of the stock register stating that it could not be located during audit due to renovation of the State Project Office. However, scrutiny of the record submitted revealed that the number of exercise books issued (1,42,629) was more than number received (1,31,529). Similarly, against 96,522⁵⁵ school bags procured, the number issued was 1,06,958. Since there was no stock balance brought forward from previous year, veracity of the document could not be vouched in audit.

(v) Incentive for SC/ST did not reach intended beneficiaries

As per DISE records, the hill districts account for 92 *per cent* of the SC/ST enrolment while the valley districts account for the remaining 8 *per cent*.

Test-check of SMA records revealed that shoes and rain coats worth ₹ 43.84 lakh were procured (March 2010) for free distribution among SC/ST students.

⁵² 67,487 Nos. worth ₹ 14,17,227 in March 2010 for SC/ST Students and 1,09,424 Nos. worth ₹ 22,43,192 in December 2010 for CWSN.

⁵³ 8,021 X 16.67 = 1,33,710.07

⁵⁴ ₹ 22.05 lakh + ₹ 50.75 lakh

⁵⁵ M/S Ken Bags – 25,374 (March 2010) + M/S Sujata Sarkar – 71,148 (December 2010)

Till the date of audit (June 2011), 2,936 items were issued. Analysis of quantity issued revealed that 67 *per cent* went to the valley districts while the hills districts received only 33 *per cent*. Details are given in the table below.

Item	Procurement		Quantity issued			As % of Quantity issued		
	Quantity	Amount (₹ in lakh)	Hill	Valley	Total	Hill	Valley	Total
Shoe	5,374	21.31	594	1,131	1,725	34	66	100
Rain Coat	5,374	22.53	370	841	1,211	31	69	100
Total	10,748	43.84	964	1,972	2,936	33	67	100

Source: SMA records

Thus, issue of material was not proportionate with the enrolment of the targeted group thereby depriving genuine and deserving children from their entitled benefits.

The SMA (December 2011) stated that as per norms, ceiling for SC/ST intervention is ₹ 15 lakh per district irrespective of their population in the district and hence the question of issue of material in proportion to enrolment of SC/ST children in districts does not arise. Even going by the SMA's own contention, the hills (5 out of 9 nine districts) should get 55.56 *per cent* of the benefits under SC/ST intervention. As such, the reply of SMA is not acceptable.

(vi) *Huge stock balance*

As per norms⁵⁶, State Government and Local Authority are duty bound to remove all barriers that may prevent a child in the six to fourteen age group from pursuing and completing elementary education through provision of free textbooks, notebooks, other writing materials, stationary, uniforms, school bags, scholarships and transportation facilities. SSA is to reach out to girls, SC, ST and Muslim Minority communities, BPL children, urban deprived children, children affected by periodic migration, children living in remote and scattered habitations and children with special needs.

Test-check of SMA records revealed that school uniforms, rain coat, school shoes, exercise books and school bags worth ₹ 10.66 crore were procured during March 2010 and March 2011 for free distribution to various special focus groups⁵⁷. Till September 2011, material worth ₹ 2.78 crore (26.08 *per cent*) was still lying in stock. Details of item wise quantity procured, issued and balance are given in **Appendix-1.9**.

Retaining such huge stock balance even after eighteen months of procurement defeats the very objective of the scheme and deprives the targeted beneficiaries of intended benefit. This also resulted in blockade of money and increased the risk of pilferage and degradation of quality of material.

The SMA (December 2011) stated that all the material had been distributed and submitted copy of the updated stock register. Scrutiny of the updated

⁵⁶ Section 2(3) and 5 Right of Children to Free and Compulsory Education Rules, 2010 read with Paras 1.4.1, 2.5.6, 2.6.1 and 3.1 of Revised Framework of Implementation of SSA

⁵⁷ Girls, SC/ST students, BPL boys, urban deprived children and CWSN/IED

stock register however revealed there was still stock balance worth at least ₹ 1.15 crore⁵⁸. As such, the reply of SMA is not acceptable.

1.1.8 Mid Day Meal (MDM) Scheme

MDM was launched by the GoI on 15 August 1995 as a Centrally Sponsored Scheme for children of primary stage (Class I to V) in Government, Local Bodies and Government Aided Schools. The objectives of the scheme were to boost universalization of primary education, especially to the disadvantaged sections; and improve nutritional status of students of primary stage.

In Manipur, MDM was initially introduced in November 1995 covering only PS. Coverage was extended to all UPS with effect from February 1, 2009. MDM is currently being implemented in 2,968 schools⁵⁹. The State has not extended MDM Scheme to Education Guarantee Centres (September 2011) which was required as per Government of India guidelines.

Under the scheme (MDM), Central Government was to bear the cost of foodgrains, actual cost incurred in transportation of foodgrains from nearest FCI godown to the PS subject to prescribed maximum ceiling, provide assistance to construct kitchen-cum-store as per rates approved from time to time, provide assistance for provisioning and replacement of kitchen devices and provide assistance for Management, Monitoring & Evaluation (MME). The cooking cost and honorarium to cooks cum helpers was to be shared in the ratio 9:1 between Centre and State.

Audit findings on implementation of MDM in the State are discussed in the following paragraphs:

1.1.8.1 Coverage of the Scheme

Scrutiny of records at the Directorate revealed that MDM was implemented for 60 days only in 2006-07 covering 2,02,889 students in 2,945 primary schools in the State. During 2007-11 implementation days ranged from 201 to 220 days per year. However, comparison of Directorate data with DISE data⁶⁰ of average instructional days, number of schools and total enrolment revealed excesses (+) and shortages (-) as shown in the table below:

Year	Coverage of MDM as per Department			Actuals as per DISE			Excess(+)/ Short(-) coverage		
	No of days	No of schools	No of students	Average Instruction days	No of schools	No of students	No of days	No of schools	No of students
2006-07	60	2,945	2,26,972	210	2,405	2,02,889	-150	540	24,083
2007-08	220	2,945	1,89,083	202	2,429	1,99,106	18	516	-10,023
2008-09	210	2,943	2,27,691	201	3,121	2,28,008	9	-178	-317
2009-10	205	3,042	2,25,718	198	3,107	2,39,072	7	-65	-13,354
2010-11	201	2,968	2,30,097	189	2,956	2,31,801	12	12	-1,704

Source: Department records and DISE

The above table indicates that there was a huge variation between Department and DISE data in the number of schools where MDM was implemented during

⁵⁸ Rain coats – ₹ 4.01 lakh; Uniforms – ₹ 89.50 lakh; School bags – ₹ 21.71 lakh; stock balance for Shoes & Exercise Books could not be ascertained.

⁵⁹ As seen from the sanction orders of conversion cost vide No 2/MDM(CC)/2010(5)-ED Dt. 09/11/2010

⁶⁰ DISE database is updated in September every year. Enrolment and number of schools as per DISE 2006-07 will be the statistics as of September 2006.

2006-11. For instance, as per DISE figure, the number of schools in 2006-07 was 2,405, while MDM was implemented in 2,945 schools as per Department. Further, the variation of DISE figures and department figures on the number of students enrolled ranged from (-) 317 to 24,083 during the period 2006-11.

The claim of implementing MDM for more than 200 days in a year during 2007-11 could not be substantiated as MDM was not served on all instructional days⁶¹ in the schools visited by audit team as enumerated below:

- Six schools⁶² were closed on the date of visit while two schools⁶³ failed to produce their records despite requisition of records.
- Other schools reported that they had not served MDM for periods ranging from a week to months.

Details of audit findings are given in **Appendix-1.10**. Some extreme irregularities in serving MDM as reported by Headmasters of Ukhrul District are given at **Appendix-1.10 A**.

Thus, the actual coverage at school level was factually far short of what was claimed in the departmental records and hence huge leakage of funds and foodgrains cannot be ruled out.

The Department (January 2012) stated that the scheme was implemented as per enrolment strength and number of days approved by PAB of MDM. The reply is not acceptable as implementation has to be based on ground reality whereas PAB's approvals for a particular financial year were based on data pertaining to previous year.

1.1.8.2 Inordinate delays in allocation of foodgrains and release of fund

1.1.8.2.1 Release/allocation of foodgrains

As per norms⁶⁴, GoI was to allocate/release foodgrains in two instalments; one in February and the second one in August of each year. Thereafter, the Department was to make district-wise sub-allocation based on the number of children and approved number of working days. Foodgrains can be lifted by the District administration from the Food Corporation of India (FCI) godown from the 1st day of the month preceding the allocation quarter and up to 25th of the last month of the allocation quarter.

Test-check of records at Director of Education(S) (Directorate) revealed inordinate delays at various levels in allocation of foodgrains. While GoI delayed allocation of foodgrains by as much as 187 days, the Department took as much as 148 days to further sub allocate to the districts, resulting in cumulative delay by as much as 207 days.

1.1.8.2.2 Release of fund

As per norms⁶⁵, GoI was required to release in April/May each year the first instalment of Central assistance towards cooking/conversion cost not

⁶¹ The average instructional days as per DISE ranged from 189 in 2010-11 to 210 in 2006-07

⁶² Nachou Mamang Aided L.P.S, Ngaikhong Khunou Aided Jr HS & Waroiching PS in Bishnupur Dist; Challou P/S & Abushidik Jr. HS in Imphal East Dist; Luiyainaotang S.V in Ukhrul Dist.

⁶³ Phange Aided PS and Ningthi Junior High School of Ukhrul Dist

⁶⁴ MHRD No F.1-15/2009-Desk(MDM) dated 14 January 2010

⁶⁵ Para 5.1(9) of MDM Guidelines

exceeding 20 *per cent* of the previous year's release. The second instalment was to be released in September/October each year based on progress of expenditure incurred out of the first instalment released.

Audit analysed records of the Directorate pertaining to release of fund by GoI, release of Central fund by GoM to the Department and release of cooking cost to the districts⁶⁶. It was noticed that there were delays at each stage ranging from 19 days to 750 days.

Specific instances of delay in receipt of fund at school level were noticed on scrutiny of e-transfer records. The cooking cost meant for October to December 2009 amounting to ₹ 5.97 crore was e-transferred to School Management and Development Committee (SMDC) bank accounts in September 2010 by the Directorate. Similarly, cooking cost meant for July–September 2010 amounting to ₹ 5.86 crore was e-transferred to SMDC bank accounts in March 2011.

The success of MDM scheme is dependent to a great extent on adequate and timely availability of both foodgrains and fund. In view of the above stated delays, effective implementation of the scheme in the State was doubtful.

The Department (January 2012) accepted the delays highlighted by audit and stated that the issue is being addressed for rectification.

1.1.8.3 Excess reporting of utilisation of foodgrains

As per norms⁶⁷, the foodgrains entitlement per child per day at primary level and upper primary level were 100 grams and 150 grams respectively. As per DISE record, total enrolment in Government and Aided schools during 2010-11 was 2,31,801 (1,89,866 in Primary and 41,935 in the Upper Primary). The average instructional days in the State during the year as recorded by DISE was 189 days. Based on the above stated norms, enrolment and instructional days, audit worked out the probable requirement of foodgrains for 2010-11 as 4,791.36 MT (**Appendix-1.11**) assuming 100 *per cent* attendance and serving of MDM on all instructional days.

Test-check of records at the Directorate revealed that Utilization Certificate for 4,720.60 MT of foodgrains was submitted to GoI for 2010-11. The quantity reported as utilized is 98.52 *per cent* of the requirement calculated above. In other words, it implies that the department actually claimed that MDM was served on all instructional days wherein attendance was 98.52 *per cent*.

However, ground realities of actual feeding days (as stated in Para 1.1.8.1) and attendance in the schools visited by the audit team tell a different story altogether. Attendance was nil in four⁶⁸ of the schools visited while 43 schools (69 *per cent* of the remaining schools) had less than 70 *per cent* attendance.

⁶⁶ ₹ 43.61 crore in 27 orders, ₹ 24.69 crore in 13 orders and ₹ 66.35 crore in 16 orders respectively for the different categories.

⁶⁷ Para 1.4 of mid – day meal Guidelines 2006 & MHRD order No F. 1(1)/2007/Desk(mid – day meal) Dt. 27/09/2007

⁶⁸ Hatha PS and Hoomi Jr HS in Ukhrul Dist; Phojing PS and Leimapokpam Mayai PS in Imphal East Dist; one lone student was present at Bishnupur Chingning (Muslim) LPS in Bishnupur Dist.

The average attendance for schools visited was only 56 *per cent*⁶⁹. Details are shown in **Appendix-1.12**.

In view of the above, the Department's claim of quantity of foodgrains utilized appears to be highly inflated. Therefore, the possibility of misappropriation of foodgrains cannot be ruled out.

While accepting (January 2012) audit's contention that claiming near 100 *per cent* attendance is not justified, the Department stated (February 2012) that Interactive Voice Response System (IVRS) for monitoring attendance of students on daily basis will be introduced shortly in order to decrease wastage in the scheme.

1.1.8.4 *Lifting of foodgrains in excess of requirement and norms*

As per norms⁷⁰, lifting of foodgrains equivalent to one month's requirement as buffer stock to meet unforeseen exigencies was allowed in addition to normal requirement of foodgrains. The buffer stock entitlement for 2010-11 was 399.28 MT calculated on the maximum requirement of 4,791.36 MT as stated in Para 1.1.8.3. Thus, maximum permissible quantity of foodgrains during 2010-11 inclusive of quantity for buffer stock was 5,190.64 MT.

Test-check of records at the Directorate revealed that 6,351.76 MT of foodgrains was lifted during 2010-11 for normal requirement. This was more than the maximum permissible quantity foodgrains during 2010-11 inclusive of quantity for buffer stock. In spite of this, additional 1,538.48 MT of foodgrains was lifted for buffer stock raising the total foodgrains lifted to 7,890.24 MT (**Appendix-1.11**). Thus 2,699.60 MT of foodgrains valued at ₹ 1.53 crore at FCI's issue rate of ₹ 5,650/MT was lifted in excess of quantity permissible as shown in the table below.

⁶⁹

Sl. No.	District	No of schools	Enrolment	Attendance	% attendance
1	Bishnupur	22	1,565	824	53
2	Imphal East	21	2,630	1,292	49
3	Ukhrul	23	1,946	1,336	69
	Total/Average	66	6,141	3,452	56

⁷⁰ Para 3.3(iv) of MDM Guidelines

Excess Lifting of foodgrains

(All quantity in MT)

Particular	Quantity required as per norms	Quantity lifted	Excess lifted	Percentage Excess
Normal requirement	4,791.36	6,351.76	1,560.40	33
For buffer stock	399.28 #	1,538.48	1,139.20	285
Total	5,190.64	7,890.24	2,699.60	52
# 4,791.36 MT divided by 12				

Source: Food Corporation of India foodgrains bills and audit analysis

Lifting of foodgrains far in excess (52 per cent) of what was required resulted in blockage of public money to the tune on ₹ 1.53 crore. Besides, the possibilities of misappropriation, pilferage and wastage were also high, especially when the system of accounting of foodgrains is weak as shown in following Para.

The Department (January 2012) stated that buffer stock at levels more than one month's requirement was maintained at districts to avoid interruption in implementation of the program owing to transportation bottlenecks and frequent bandh and blockade on national highways. All unspent balances were carried forward to next immediate quarter and any sort of lapses would be closely monitored. The reply is not acceptable as most districts reported nil balance at the end of first quarter of 2011-12 inspite of lifting their requirement of foodgrains for the first quarter of 2011-12.

1.1.8.5 Excess payment on foodgrains transportation

As per norms⁷¹, the actual cost incurred in transportation of foodgrains from nearest FCI godown to the school will be reimbursed by GoI subject to ceiling of ₹ 100 per quintal w.e.f. 16 June 2006. In September 2007, the ceiling was raised to ₹ 125 per quintal. In November 2009, GoM fixed new rates for different districts ranging from ₹ 72 per quintal to ₹ 250 per quintal to be effective from April 2009. Thereafter, GoI directed that transportation assistance from December 2009 would be admissible at the rate prevalent under the Public Distribution System (PDS) in the State in place of flat rate.

Test-check of records at the Directorate revealed that an amount ₹ 1.91 crore was paid for transportation of 16,707.757 MT of foodgrains during 2006-10 according to maximum ceiling stated above (**Table-A & B of Appendix-1.13**) without restricting the same to the actual cost incurred. The rate at which transportation cost was paid is applicable only when foodgrains was lifted from FCI godown and delivered at schools. Details of transportation cost paid for foodgrains lifted during 2010-11 though called for was not furnished.

During test-check of records at district level, it was seen that foodgrains was first lifted from FCI godown to the MDM godown maintained by the respective ZEOs. Further, headmasters of the schools visited by Audit⁷² (**Appendix-1.10**) in the three sampled districts stated that they make their own arrangements to lift MDM foodgrains from the godown maintained by the respective ZEOs. In view of these, the expenditure incurred as transportation cost of foodgrains was not justified.

⁷¹ As per Para 2.3 of the mid – day meal Guidelines 2006; MHRD orders/letters dt. 27/09/2007 & 24/11/2009; State Government OM dt. 11/11/2009

⁷² Visited 53 schools and called for records from another 13 schools

Based on quantity of foodgrains lifted by each district during 2006-10⁷³ and the distance between each Zonal MDM godown and the nearest FCI godown as recorded by the Department, audit worked out the admissible cost of transportation of foodgrains between FCI godown and the Zonal godown. Thus, benchmarking on PDS rate prevailing in February 2011⁷⁴, the admissible cost for transporting foodgrains worked out to ₹ 30.55 lakh only. Even if the transportation cost was paid at FCI's contract rate of ₹ 6.82/MT/Km prevailing as on February 2011, admissible transportation cost should have been only ₹ 52.79 lakh. Thus, there was an excess payment of not less than ₹ 1.39 crore⁷⁵ on transportation of foodgrains. Details of calculation are shown in **Table–C of Appendix-1.13**.

The Department (January 2012) stated that steps would be initiated to ensure delivery to schools in coordination with the concerned Deputy Commissioners as they have been entrusted with lifting of foodgrains under the scheme from 2009-10 onwards. The reply is silent about the huge leakage of public fund which severely hampered the scheme implementation as some headmasters had to resort to selling part of their allotted foodgrains to meet the cost of transportation.

1.1.8.6 Suspected misappropriation of foodgrains

As already stated at Para 1.1.8.4, more than sufficient foodgrains for buffer stock was lifted during 2010-11. It was also seen from records of the Directorate that foodgrains for first quarter of 2011-12 was also lifted as on date of audit (July 2011). Thus at the end of first quarter of 2011-12, foodgrains stock equivalent to the buffer stock should have been available as balance. However, scrutiny of records at the Directorate and districts revealed huge quantity of unaccounted foodgrains as discussed in the following paragraphs:

1.1.8.6.1 Unaccounted foodgrains in Ukhrul: Test-check of records of the ZEO Ukhrul revealed that 849.165 MT of foodgrains was lifted from FCI, Ukhrul during April 2010 to June 2011. Foodgrains allocated for July-September 2011 was yet to be lifted. This was distributed between the ZEO and the Autonomous District Council (ADC) based on the enrolment as recorded by DISE in the schools under their respective administrative control. Out of their share of foodgrains, the ADC, Ukhrul had issued 231.884 MT of foodgrains to 159 schools⁷⁶ under their administrative control between April 1, 2010 to September 18, 2011. Further, audit calculated⁷⁷ that approximately 389.408 MT of foodgrains was issued to 120 schools⁷⁸ under the administrative control of ZEO Ukhrul during the same period. Thus there should have been balance stock of 227.873 MT (849.165 MT-231.884 MT-389.408 MT). However, on joint verification with the concerned officers, the

⁷³ Total quantity lifted by all districts together was 16,799.330 MT

⁷⁴ ₹ 0.37/Qt/Km for Valley Districts and ₹ 0.40/Qt/Km for Hill Districts

⁷⁵ At PDS rate, excess would be ₹ 1.61 crore

⁷⁶ During the period, foodgrains was not issued to three schools.

⁷⁷ Distribution Register maintained by ZEO Ukhrul recorded only signature of the concerned Headmaster without recording the quantity issued. Audit worked out this quantity based on enrolment data of DISE and number of working days recorded in the Distribution Register maintained by the ADC, Ukhrul.

⁷⁸ During the period, foodgrains was not issued to 15 schools which had total enrolment of 680 students. Reason for not issuing foodgrains to these schools was not found on record.

actual foodgrains stock was found to be only 68.40 MT⁷⁹ as on date of audit (September 2011). Therefore, 159.473 MT (227.873 MT-68.40 MT) of foodgrains lifted for implementing MDM in Ukhrul District could not be accounted for.

1.1.8.6.2 Unaccounted foodgrains in Bishnupur: Test-check of records of ZEO Zone-IV, Bishnupur revealed that against 580.685 MT of foodgrains lifted from the period April 2010 to June 2011, only 502.657 MT was reported as utilised as of June 2011. As such, there should be 78.028 MT (580.685 MT-502.657 MT) in stock as on June 2011. However, stock balance as per the UC for the quarter ending June 2011 was nil. The ZEO confirmed this stating that they do not have any foodgrains stock as they were yet to lift the allotment for the second quarter of 2011-12. Thus, 78.028 MT of foodgrains could not be accounted for.

1.1.8.6.3 Unaccounted foodgrains in other districts: Further, test-check of records at the Directorate revealed that the remaining seven districts⁸⁰ had reported utilization of 2,887.393 MT during October 2010 to June 2011 out of 4,249.656 MT lifted by them during the period. Thus, there should be stock balance of 1,362.263 MT. However, the stock balance reported in the UCs was only 798.170 MT leaving 564.093 MT (1,362.263 MT-798.170 MT) of foodgrains unaccounted.

1.1.8.6.4 Foodgrains left with contractor: Test-check of records of the ZEO Zone-II, Imphal East revealed that M/S Jai Hanuman Carrier (contractor) was authorized by the Deputy Commissioner of the district to transport MDM foodgrains from FCI godown to the beneficiary schools. The contract agreement forbids the contractor from transshipment or offloading midway from the loading point to the stores identified by the department without prior permission and approval of the Deputy Commissioner. However, it was seen that 142.802 MT of foodgrains for July to December 2009 was kept in the contractor's godown based on an undertaking signed (September & October 2009) between the contractor and an official of the Zonal Office. Neither approval of higher authority for this arrangement was obtained nor there were records to prove that it was eventually given to the schools could be shown to audit.

Thus, altogether whereabouts of 944.396 MT⁸¹ of foodgrains valued at ₹ 53.36 lakh⁸² could not be vouched. This situation is fraught with the risk of pilferage of unaccounted stock of foodgrains and/or misappropriation of funds reported to be spent on procurement.

The Department (January 2012) did not give specific reply to audit observation on suspected misappropriation of foodgrains as highlighted above.

1.1.8.7 Excess claim on utilisation of foodgrains and fund

Schools in valley districts were affected to a great extend due to widespread agitation launched by some Civil Society Organizations along with student bodies in the State from September 2009 to December 2009. Attendance in

⁷⁹ 58.60 MT in the ZEO godown + 9.800 MT in the ADC godown

⁸⁰ Imphal East, Imphal West, Thoubal, Churachandpur, Chandel, Senapati and Tamenglong

⁸¹ 159.473 MT + 78.028 MT + 564.093 MT + 142.802

⁸² 944.396 MT @ ₹ 5650/MT = ₹ 53,35,837

valley districts during these turmoil days was virtually nil on account of mass boycott of classes. For implementing MDM during this period, the four valley districts had lifted 914.311 MT of foodgrains valued at ₹ 51.66 lakh and had received fund for cooking/conversion cost amounting to ₹ 2.61 crore as shown in **Table–A & B of Appendix–1.14**.

Test-check of records at the Directorate and ZEOs of Imphal East and Bishnupur revealed that the above stated quantity of foodgrains and fund were reported to have been utilized. It was also seen that the Directorate had asked (March 2010) the concerned officers of the valley districts to justify their claim of fully utilizing foodgrains when by their own admission attendance during the period was “quite nominal”. Directorate’s reservation on full utilization was corroborated by what audit saw during field visits. Audit saw that even under normal circumstances, MDM was not served on all working days as highlighted in this report. Even in normal times, average attendance in Imphal East and Bishnupur districts was only 50 *per cent* (**Table–C of Appendix–1.14**). Thus, during these days of turmoil implementation of MDM would have been severely affected and full utilization of foodgrains and fund as claimed was not possible.

In response to the Directorate’s call for explanation, the ZEO Imphal East claimed that foodgrains and fund meant for September to December 2009 were utilized in January and February 2010. Response from other ZEOs was not available on record. Even the claim of ZEO Imphal East was not sustainable as foodgrains and fund meant for 80 implementation days⁸³ during September 2009 to December 2009 cannot be consumed in 59 days (counting Sundays and holidays) available in January and February 2010. In view of the circumstances, leakage of MDM foodgrains and misappropriation of funds meant for September to December 2009 cannot be ruled out.

The matter was reported to the Government in December 2011 and proper reply has not been received (February 2012).

1.1.8.8 Irregularities in transfer of cooking/conversion cost to schools

Under MDM, funds to meet cooking/conversion cost for serving cooked food to children has to be released to schools as per their enrolment at the rates fixed by GoI from time to time.

Test-check of records of the Directorate revealed that cheque for ₹ 5.86 crore meant for cooking/conversion cost for July–September 2010 was given (February 2011) to United Bank of India (UBI), Imphal with advice/instruction that the amount be e-transferred to the SMDC Accounts of 2970 schools in nine districts of the state. The whole amount was debited (March 2011) from the department’s account. An analysis of e-transfer record of 2320 schools⁸⁴ (78 *per cent*) revealed the following:

- In the advice/schedule, bank account number to which fund was to be transferred was not given in respect of 106 schools which were entitled to receive an amount of ₹ 17.13 lakh. Hence this amount remains unaccounted for as actual receipt of fund by these schools is doubtful.

⁸³ Foodgrains and funds sanctioned/released at the rate of 20 implementation days per month.

⁸⁴ 650 schools under ZEO Thoubal (225), ZEO Ukhrul (280) and ZEO Wangoi (145) were left out.

- Eight schools with nil enrolment as per DISE database for 2010-11 received an amount of ₹ 0.97 lakh while ₹ 32.27 lakh was transferred to 139 schools not listed in DISE.
- An amount of ₹ 4.54 lakh was transferred to 36 abolished schools of Bishnupur District.
- In 810 schools, the number of students claimed in the e-transfer advice was more than the DISE 2010-11 enrolments by 24,557 students leading to excess transfer of ₹ 39.40 lakh.
- Though 260 schools in Tamenglong district were entitled to ₹ 55.87 lakh, only ₹ 52.53 lakh was e-transferred to 243 schools leaving ₹ 3.43 lakh⁸⁵ unaccounted.
- Further, the following irregularities were noticed in the release of fund for cooking/conversion cost in respect of Tamenglong District:
 - Fund received by 103 schools exceeded their entitlement by ₹ 8.01 lakh while the amount received by 94 schools was less than their entitlement by ₹ 8.99 lakh.
 - 33 schools did not receive their entitled fund of ₹ 5.92 lakh while 16 schools⁸⁶ received ₹ 3.47 lakh even though no amount was allocated to them.

From the above, it is seen that ₹ 20.56 lakh (₹ 17.13 lakh + ₹ 3.43 lakh) remained unaccounted and misappropriation of ₹ 50.37 lakh (₹ 0.97 lakh + ₹ 32.27 lakh + ₹ 17.13 lakh) could not be ruled out.

The Department (January 2012) stated that bank authority had issued cheque directly to the SMDCs for whom account number was not available. Fund was not released for schools having nil enrolment. Contention of the department that fund was not released for those schools having nil enrolment is not true as the names of the schools were clearly shown in the bank advice/schedule. Further, claim of bank issuing cheques to SMDCs could not be substantiated with documentary evidence.

1.1.8.9 Undue benefit in Kitchen-cum-Stores construction (KCS)

Kitchen-cum-store (KCS) is an integral part of MDM scheme. As per norms⁸⁷, GoI was to provide assistance up to a maximum of ₹ 60,000 per unit. In December 2009, GoI revised the norms⁸⁸ and prescribe 20 square meter plinth area for construction of KCS in schools having up to 100 children with provision for additional area for additional children. Cost for construction was to be regulated as per prevailing schedule of rates of the State.

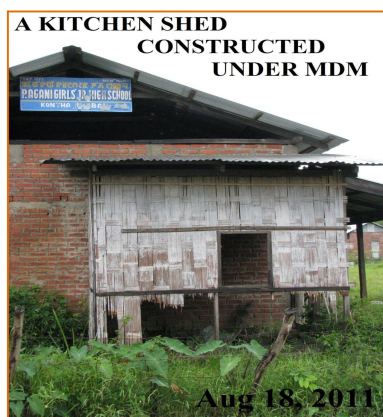
1.1.8.9.1 Undue benefit: Test-check of records at the Directorate revealed that in 2006-07, GoI approved construction of KCS for 1174 schools and released ₹ 7.04 crore in 2008-09. The work was awarded (March 2010) to National

⁸⁵ ₹55,96,698 - ₹ 52,53,584 = ₹ 3,43,114

⁸⁶ Though these schools did not feature in the sheet for calculation of entitlement, their names featured in the bank advice/schedule and vice-versa for the 33 schools

⁸⁷ Para 2.3(v) of MDM Guideline

⁸⁸ F.No. 1-1/2009-Desk (MDM) dt. 31/12/2009 of MDM Division, Department of School Education & Literacy, MHRD



Mission on Bamboo Applications (NMBA) with target date of completion as March 2011. The entire amount was paid to NMBA lump sum in May 2010. As of June 2011, only 50 KCS valued at ₹ 30 lakh had been constructed leaving a balance of 1124 KCS valued at ₹ 6.74 crore incomplete even three months after the target date. Thus, NMBA was given undue benefit to the extent of ₹ 29.02 lakh⁸⁹, being the bank interest that could have been earned by the Department.

Schools visited by the audit team were found to fend for themselves for a place to cook MDM. Out of 66 schools visited (**Appendix-1.10**), 22 schools were without Kitchen Sheds and meal was cooked at Cook's residences⁹⁰ or in classrooms of the Schools⁹¹. In the case of Bishnupur Kha Santipur (A) L.P, a classroom was utilised as a Kitchen Shed. Thus, denying KCS to such large number of schools had adverse impact on efficient implementation of the scheme.

The Department (January 2012) stated that the full advance was paid as per MoU signed between GoI and GoM. Construction of KCSs was delayed as pre-fabricated bamboo walls had to be transported from Thiruvananthapuram through trouble prone National Highways (NH). However, since the NMBA was paid full amount upfront, delay of almost one year beyond target date was not justified. Moreover, the MoU gave an undue advantage to NMBA as it was devoid of any penalty clause for delay and states that cost overrun, if any, was to be borne by the department.

1.1.8.9.2 Other irregularities: Test-check of DISE records revealed that as of September 2010, there were only 2,957 Government and aided schools in the State. Since KCS for 1,174 schools were already sanctioned during 2006-07 as stated above, the number of schools yet to be covered as of September 2010 was only 1,783 (2,957–1,174).

However, test-check of records at the Directorate revealed that based on GoM's proposal (January 2011) as per revised norms *ibid*, GoI approved ₹ 40.82 crore for construction of 1,879 units of KCS and released (March 2011) ₹ 35.79 crore. Thus, GoM had proposed 96 KCS (1,879–1,783) valued at ₹ 2.09 crore⁹² is excess of actual requirement.

The Department (January 2012) stated that number of schools has reduced because of amalgamation and abolition exercise taken up by GoM and the same was adjusted after duly reporting to GoI wherever necessary. This contention was not acceptable because the exercise of amalgamation and abolition of schools⁹³ was already completed in June 2010 much before the fresh proposals were sent in January 2011. Hence, the Department was fully aware of the exact number of schools that were functioning.

⁸⁹ Interest on ₹ 7,04,40,000 for 400 days + interest on ₹ 6,74,40,000 for 31 days @ 3.5 per cent per annum

⁹⁰ Khoijuman (A) Jr. H/S, Kangla Ukuk P/S

⁹¹ Phojjing P/S, Andro Mahengdong PS, P. Agni Girls Jr. H/S

⁹² Calculated pro-rata on cost for 1879 KCS

⁹³ Amalgamation/abolition of 192 school was done vide Govt. orders dated 27 January 2009, 21 April 2010 and 01 June 2010.

1.1.8.10 Un-accounted kitchen devices

As per norms⁹⁴, GoI was to provide assistance in a phased manner for provisioning and replacement of kitchen devices (KDs) at an average cost of ₹ 5,000 per school. On the basis of the actual requirements of the school expenditure can be incurred on (a) Cooking devices (Stove, Chulha *etc.*), (b) Containers for storage of food grains and other ingredients and (c) Utensils for cooking and serving.

Test-check of records at the Directorate revealed that GoI approved ₹ 72.85 lakh during 2006-07 for providing KDs to 1457 Primary and Upper Primary schools. The contract was awarded (February 2009) to M/S Arun Multi Agency, Imphal (agency) for supply of Water Container-(01 number); 34 Ltrs Water Filter (Brand Aqua Pure)-(01 number) and Stainless Steel Meal Plate-(10 numbers) to each school. The agency was paid ₹ 54.60 lakh⁹⁵ up to May 2010. However, APRs for ₹ 52.85 lakh⁹⁶ were furnished for only 1057 schools. Thus, material worth ₹ 1.75 lakh remained unaccounted as on date of audit, though more than one year has passed since payment was made. Further, the water filters seen in the schools visited were not of the specified brand. As such, the agency was given undue benefit at the cost of the scheme.

The Department (January 2012) stated that payment was made based on APRs and photograph submitted by the agency. This, however, does not explain the whereabouts of the unaccounted KDs.

1.1.9 Conclusion

SSA in the state was being implemented without grassroot base line data; and as such the implementing framework of the programme was inherently weak. The programme also suffered due to short release and delay in release of funds, diversion of funds and irregularities in maintenance of bank accounts. At school level, there were wide aberrations in Pupil Teacher Ratio, as teachers were deployed in some schools with no enrolment and no teachers deployed in some schools with students. Delays in distribution of books and irregularities in supply in material meant that students would be at a disadvantage. Despite a trend of low attendance, foodgrains consumption for *cent per cent* attendance was reported in MDM scheme. There were irregularities in e-transferring of funds and the scheme was being implemented without proper kitchen-cum-stores in unhygienic conditions.

1.1.10 Recommendations

- Household survey and its regular updating, being the prime requirement for proper planning, needs to be taken up with utmost seriousness.
- Flow of funds and foodgrains under MDM should be managed as per schedule prescribed so that the benefits reach the targeted group as intended by the scheme in a regular time-bound manner and with all transparency.

⁹⁴ Para 2.3(vi) of MDM Guideline

⁹⁵ ₹ 15.00 lakh vide cheque No 934345 Dated. 19/10/09 + ₹ 20.35 lakh vide 930949 Dated. 04/08/10 + ₹ 19.25 lakh vide cheque No 954459 Dated. 13/05/10

⁹⁶ 1057 @ ₹ 5,000 per school

- Specific mechanisms and strict timelines may be evolved to ensure timely supply of free text books and other benefits admissible to students under SSA.
- Weaknesses in contract management and loopholes in the contract clauses may be properly addressed to ensure efficient, effective and economic implementation so that intended benefits could be achieved.
- Deployment of teachers needs to be streamlined immediately and closely monitored to ensure uniform pupil teacher ratio across all schools as per stipulated norms.
- It is necessary to ensure financial discipline and accountability through strong internal control and monitoring and corrective mechanisms so as to achieve scheme objectives in more effective, economic and efficient manner.