

CHAPTER – III

INTEGRATED AUDIT

Social Welfare Department

The Social Welfare Department is responsible for implementation of various developmental schemes especially those relating to women, children, SC/ST/OBC population and social justice empowerment. Integrated audit of the Department brought out glaring gaps in planning, financial management and programme management. Due to non-availability of baseline data and non-disbursement of assistance to the beneficiaries in time, the unspent balances increased over a period of time.

Highlights

- District Social Welfare Officers retained assistance of Rs. 78.15 crore for periods ranging between seven and 366 days despite recommendations of Public Accounts Committee to evolve a mechanism for timely disbursement of assistance.
(Paragraph: 3.7.1)
- Utilisation certificates for Rs. 27.76 crore were awaited from various bodies. There were huge unspent balances in banks at the end of each financial year due to non-disbursement of assistance to the beneficiaries in time.
(Paragraphs: 3.7.5 and 3.7.6)
- Supplementary nutrition under Integrated Child Development Scheme was not provided to all beneficiaries (2005-09) and the shortfall ranged between seven and 40 per cent. Health check-up and other referral services were not provided in Jammu Division.
(Paragraphs: 3.8.1.1 and 3.8.1.2)
- Targets fixed for National Social Assistance Programme were not achieved in full.
(Paragraph: 3.8.2)
- Pension under Integrated Social Security Scheme was not provided to the physically handicapped through money orders in Kashmir Division in contravention of guidelines.
(Paragraph: 3.8.3)
- The Contributory Social Security Scheme for marginal workers has largely failed in the State.
(Paragraph: 3.8.4)

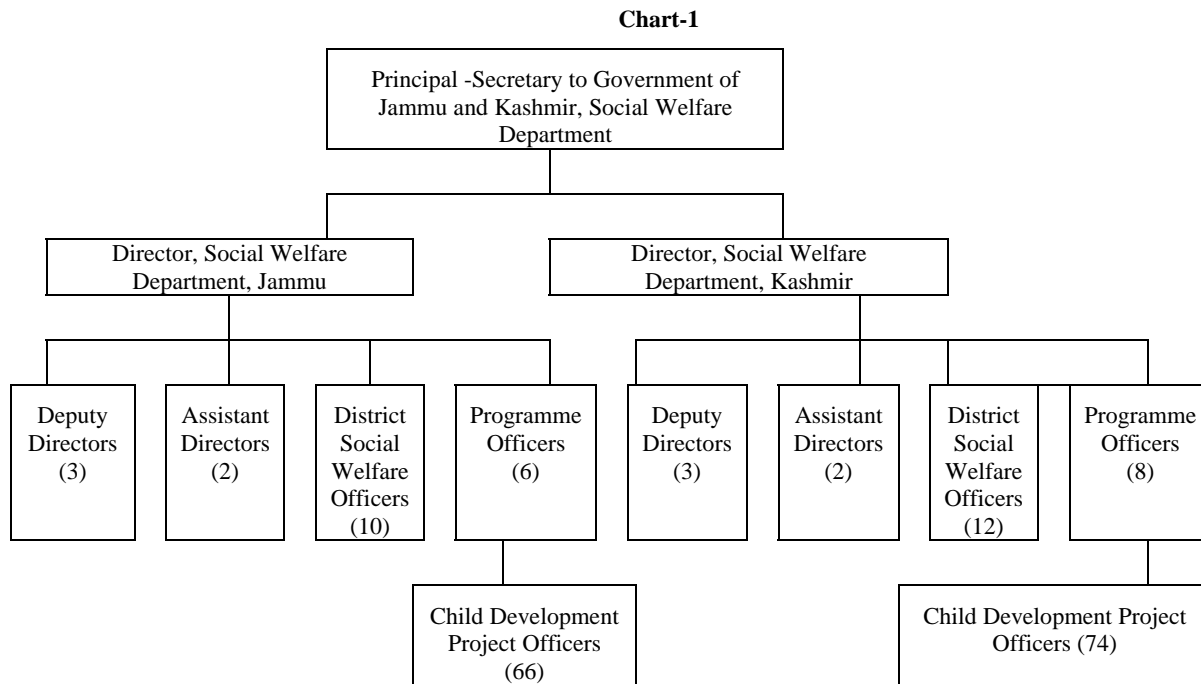
3.1 Introduction

Amongst the priorities of national development, commitment towards welfare of the under-privileged, backward and vulnerable sections of the society is an indispensable

element. The Social Welfare Department of the State administers Central and State Government schemes¹ relating to women and child development, social justice and empowerment, social security, tribal development and educational upliftment of SC, ST and OBC students, etc. by providing direct/indirect benefits to the target groups through various programmes².

3.2 Organisational setup

The organisational structure of the Department is as under:-



3.3 Scope of Audit

Mention was made regarding the functioning of Social Welfare Department in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2000 and 31 March 2005. The Report for the year ended 31 March 2000 was discussed by Public Accounts Committee of the State Legislature in December 2006, March 2007 and September 2007. Recommendations as well as Action Taken Notes were however, not received (September 2009). The highlights of the review were:

- Huge retention of undisbursed money in bank accounts on account of pension under ISSS.

¹ Book Bank Scheme; Post/Pre-Matric Scholarship for OBC/ST; Pre-Matric Scholarship to children whose parents are engaged in unclean occupation; Construction of SC/ST/OBC hostels; Addition/Alteration to departmental buildings; Coaching of inmates in Bal-ashrams/Nari-Niketans; Expansion of Bal-Ashrams; Expansion of Nari-Niketan.

² Integrated Social Security Scheme (ISSS); National Social Assistance Programme; Post-Matric Scholarship to physically handicapped; Contributory Social Security Scheme; Pre-Matric scholarship to physically handicapped; Prosthetic aid; Ladies vocational centers; NPAG; Construction of Model Anganwadi centers; Nutrition/Honorarium to Anganwadi workers/helpers.

- Delay in finalization of rate contract for nutritive items under ICDS.

During the current review, these irregularities continued which have been discussed in subsequent paragraphs.

In addition, four draft paragraphs also figured in the reports of Comptroller and Auditor General during 2005-08. The details of these paragraphs are given below:

Table 3.1.1

Para No. Report for the year	Title of the para	Brief description of irregularities	Present position	Whether <i>suo moto</i> ATN received
Para 4.16 Audit Report ended 31 March 2006	Idle investment	Injudicious planning in constructing of a Milk Chilling Plant building, Chann Datyal resulted in idle investment of Rs. 41.97 lakh.	Milk chilling plant still incomplete	No
Para 4.2.9 Audit Report ended 31 March 2007	Blocking of funds	Advancing funds for construction of Tribal Bhawan without framing Project Report and identifying a proper site resulted in blocking of Rs. 50 lakh.	Awaited	No
Para 4.3.9 Audit Report ended 31 March 2007	Denial of hostel facilities to working women	Belated release of funds and non-finalisation of rules resulted in denial of hostel facilities to working women.	Awaited	No
Para 4.2.16 Audit Report ended 31 March 2008	Irregular payment of post-matric scholarship	Non-adherence of scheme guidelines resulted in irregular payment of Rs. 2.64 crore as scholarship to undeserving students.	Recovery has been initiated	No

The current review, covering period from 2005-2009, was conducted during April 2008 to March 2009 by a test-check of the records of 35³ (out of 189) offices of the Department, involving an expenditure of Rs. 531.70 crore constituting 41 *per cent* of the total expenditure of Rs. 1,312 crore incurred during 2005-09. Out of the 19 schemes operational in the Department, four main schemes administered by the Department viz; 'Integrated Social Security Scheme (ISSS)', 'Contributory Social Security Scheme (CSSS)', 'Integrated Child Development Scheme (ICDS)' and 'National Social Assistance Programme (NSAP)' were reviewed in detail in audit.

3.4 Audit objectives

Audit objectives were to assess whether:

- the department had planned its social welfare schemes properly and eligible beneficiaries were correctly identified;
- financial management by the department was geared towards effective implementation of its schemes;
- the targets fixed under various programmes were achieved;

³ DSWOs: 12 (Jammu: 6; Kashmir: 6); CDPOs: 15 (Jammu: 5; Kashmir: 10); Programme Officers: 5 (Jammu: 3; Kashmir: 2); Directors: 2 (Jammu: 1; Kashmir: 1); Administrative Department: 1

- the schemes were implemented effectively and resulted in extension of the intended benefits to the target population;
- manpower management of the department was efficient; and
- effective internal controls existed.

3.5 Audit criteria

Audit findings were benchmarked against the following criteria:

- Action plans prepared by the Department for implementation of the schemes.
- Guidelines of the Central/State Governments for various programmes/ schemes.
- Financial rules and standing instructions of the Government.

3.6 Audit methodology

Selection of district and tehsil offices for audit examination was made on simple judgmental basis, the offices being the ones where considerable expenditure was incurred on programme implementation. An entry conference was held with the Principal Secretary to the Government of J&K, Social Welfare Department in October 2008 wherein audit objectives, criteria and scope of audit were discussed. At the conclusion of audit, an exit conference was held on 8 October 2009 with the Secretary, Social Welfare Department wherein audit findings were discussed. The replies of the Department have been incorporated in the report at appropriate places.

Audit findings

Significant audit findings arising out of the review are discussed in the subsequent paragraphs.

3.7 Planning

The social welfare schemes introduced in the State are to be implemented through action plans framed by the Department in which yearly targets are set after taking into consideration the achievements made in earlier years. The annual plans at State level are to be prepared by the Department on the basis of the planning exercise conducted by the sub-ordinate offices. With a view to enabling the State Government to provide adequate budget grants annually for implementation of various State/Centrally sponsored schemes, identification of eligible beneficiaries at grass root level forms the basis for preparation of action plans and is arguably the most crucial pre-requisite for the successful implementation of the schemes. Test-check showed that though survey (ICDS sector) was conducted for identification of beneficiaries, records had not been properly maintained at Anganwadi centers in Jammu division. However, in Kashmir division the data was collected by Anganwadi centers and taken into consideration at district level while formulating the plans. It was also seen that no data of eligible beneficiaries based on BPL criteria was prepared under ISSS and NFBS⁴. Audit check showed that funds were not utilized properly due to non-preparation of correct annual plans and perspective plans at

⁴ National Family Benefit Scheme (NFBS); National Old Age pension Scheme (NOAPS) and National Maternity Benefit Scheme (NMBS) are the three subsidiary schemes under National Social Assistance Programme (NSAP).

apex levels, as large quantum of funds were either surrendered, not utilised or diverted in NFBS, CSSS and ISSS to unapproved items, as discussed in subsequent paragraphs.

3.7.1 Financial Management

The position of funds provided to the Department and expenditure incurred there against during 2005-09 are tabulated below:-

Table 3.1.2

(Rupees in crore)

Year	Allotment				Expenditure			
	Non-plan	Plan	CSS	Total	Non-plan	Plan	CSS	Total Utilization (Per cent)
2005-06	47.04	125.80	123.08	295.92	45.36	101.77	87.26	234.39 (79)
2006-07	64.03	145.76	170.05	379.84	63.33	113.61	145.44	322.38 (85)
2007-08	71.64	188.60	239.71	499.95	69.33	140.02	132.11	341.46 (68)
2008-09	77.83	199.69	229.97	507.49	74.90	158.67	180.25	413.82 (82)
Total	260.54	659.85	762.81	1,683.20	252.92	514.07	545.06	1,312.05

(Source: Departmental statements)

The shortfall in utilization of funds ranged between 15 and 32 per cent during 2005-09 as can be seen above, due to late release of funds by GOI under National Social Assistance Programme and Post-Matric Scholarship Scheme. There was significant delay ranging between 26 and 459 days (2005-08) in release of funds by the Department to the executing agencies. Evidently, implementation of schemes was impacted.

The District Social Welfare Officers retained Rs. 78.15 crore⁵ for periods ranging between seven to 366 days. The Director, Jammu assured (April 2009) that henceforth the funds would be placed at the disposal of District Social Welfare Officers (DSWOs) concerned without any delay. Reply to audit was not furnished by Director, Kashmir. Though cases of prolonged retention of funds had already been pointed out in the Report of Comptroller and Auditor General ending 31 March 2005, the Department had not initiated any remedial measures (September 2009). These irregularities still exist as detailed above. These irregularities persisted, despite recommendation of the PAC (March 2006), to evolve a mechanism to ensure timely and proper utilization of funds.

The following financial irregularities were also noticed.

- Financial rules provide that the expenditure figures booked by the controlling officers on the basis of statements furnished by each Drawing and Disbursing Officer (DDO) are to be reconciled periodically with those booked by the Accountant General (A&E) to exercise control over expenditure and to maintain a check against frauds, embezzlements/misappropriations, etc. Such reconciliation had not been conducted for the period from January 2008 to March 2009 by the Director, Social Welfare,

⁵ NSAP: Rs. 20.78 crore; ISSS: Rs. 56.41 crore; ISSS: Rs. 0.96 crore

Jammu. The delay in conducting reconciliation of first three quarters of 2007-08 ranged between 66 days to 152 days.

- Financial rule (2-10 ii) provide that all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the Head of the Office in token of check and money should be drawn when it is necessary to be paid. In contravention of the rule, apart from opening of unauthorised bank accounts by the Department, there were instances where entries in the cash books in a number of cases had not been attested by 23 DDOs as required under rules.
- Drawals made from treasuries had either not been verified or had been verified belatedly with delays up to 173 days.

Scrutiny revealed several cases of double drawal and unnecessary retention of cash as detailed below:

- Rupees 26 lakh was retained by DSWO, Budgam for a period up to three years for reasons not on record.
- Rupees 19.41 lakh was drawn by DSWO, Jammu twice during March 2007 and March 2008 and was refunded after retaining it for a period of 73 days (Rs. 18.32 lakh) and 111 days (Rs. 1.09 lakh). Further, Rs. 1.03 lakh drawn in March 2007 had not yet been refunded (September 2008).
- Rupees 4.38 crore transferred through cheques/bank advices by five DSWOs⁶ from their bank accounts for disbursement of NOAPS/NFBS/ Scholarship, etc. to bank accounts of 12 TWSOs had been retained by various branches of J&K Bank Ltd. during July 2005 to March 2008 for periods ranging from 22 days to 268 days.
- Rupees 29.83 lakh transferred by cheques for disbursement to beneficiaries (March 2007: Rs. 14.93 lakh, March 2008: Rs. 14.90 lakh) by DSWO Poonch to two TSWOs (Surankote: Rs. 23.83 lakh, Haveli/Mandi: Rs. 6 lakh) were not accounted for in their Cash Books.
- An amount of Rs. 2.36 lakh drawn by DSWO, Srinagar for payment of stipend, rent and salary for staff of TSP centres, Sangri and Dara (District Srinagar) for disbursement was refunded back in July 2008, as no centre actually existed.

3.7.2 Rush of expenditure

Financial rules provide that expenditure should be evenly distributed throughout the year. Test-check showed that in 21⁷ offices, the percentage of expenditure incurred during the last quarter of the years (2005-09) ranged between 42 and 56. The expenditure incurred during March of these years was also very high and ranged between 14 and 62 *per cent* of the total expenditure in respect of 29⁸ (Jammu: 11; Kashmir: 18) out of the 35 test-checked offices. Rush of expenditure was attributed by the DSWOs/CDPOs to procedural delay in allotment of funds and bulk release of funds in the fourth quarter of the year. No steps were taken by the Department/Controlling Officers in working out arrangements with the GOI/State Government/sub-ordinate offices to ensure even distribution of

⁶ Doda, Kathua, Poonch, Rajouri and Udhampur

⁷ DSWOs: 8; CDPOs: 11; POs: 2

⁸ DSWOs: 12; CDPOs: 17

expenditure. Timely release of funds could avoid accumulation of huge balances in bank accounts to no purpose and ensure assistance to the beneficiaries, in time.

3.7.3 Drawal of funds to avoid lapse

Audit scrutiny showed that Rs. 1.50 crore drawn by the Department on 31st March 2006 for release to Corporation⁹ (Rs. 1.25 crore) and J&K State Social Welfare Board (Rs. 25 lakh) were converted into *Hundies*¹⁰ to avoid lapse of funds. The Department stated that the bills preferred at the treasuries for making cash payment were converted into *Hundies* by the Finance Department without assigning any reason.

3.7.4 Recovery of loan

The Administrative Department had released Rs. 2.05 crore during 2005-08 to J&K State Women's Development Corporation (Rupees one crore) and J&K SC/ST/OBC Corporation (Rs.1.05 crore) as loan for disbursing salary/wages of the employees. The loan, recoverable in 20 equal quarterly installments, carried simple interest at 15 *per cent* per annum. In case of default, the Corporations were liable to pay penal interest at three *per cent* per annum in cash or, alternately, the amounts due to the Corporations were to be deducted from further budgetary support due to them. The Department, however, continued to release budgetary support to the Corporations each year without deducting the actual recoverable amounts. The Department stated (May 2008) that the matter would be taken up with the Corporation.

3.7.5 Utilisation certificates

Audit scrutiny revealed that Rs. 27.76 crore was released (2005-08) to various institutions/bodies¹¹ as financial assistance/grant-in-aid for meeting expenditure on various components under the programmes of the institutions/bodies. The grant-in-aid/financial assistance was payable subject to receipt of audited statements for previous releases. Neither had the utilization certificates been obtained from these institutions/bodies nor had the audited statements of accounts been called for by the Department to ascertain whether the expenditure was incurred within the ambit of rules. Similarly, utilisation certificates under post/pre-matric scholarship for Rs. 16.55 crore¹² released (2005-09) to implementing agencies were awaited from nine DSWOs, in the absence of which, the genuineness of expenditure could not be vouch-safed in audit.

3.7.6 Retention of funds

Financial rules prohibit opening of bank accounts by the DDOs without approval of the Finance Department except in exceptional cases. Audit scrutiny showed that six¹³ DSWOs opened 56 bank accounts without obtaining approval of the Finance Department. It was also seen that part amounts, out of the releases made by 12 DSWOs to 44 TSWOs during 2005-09, were not disbursed by the TSWOs in the same financial year and were

⁹ Jammu and Kashmir Scheduled Caste/Scheduled Tribe/Other Backward Class Development

¹⁰ Promissory notes

¹¹ JK SC/ST/OBC DC: Rs. 8.95 crore, J&K Women Development Corporation: Rs. 14.31 crore and Council for Rehabilitation of Orphans, Widows, Handicapped and Old: Rs. 4.50 crore

¹² Baramulla: Rs. 0.1crore; Doda: Rs. 2. crore; Director (SWD) Jammu: Rs. 1.54 crore; Jammu: Rs. 6.62 crore; Kupwara: Rs. 0.44 crore; Poonch: 0.60 crore; Pulwama: Rs. 0.28 crore; Rajouri: Rs. 2.47 crore; Udhampur: Rs. 1.50 crore and Kathua: Rs.1 crore

¹³ Doda, Jammu, Kathua, Poonch, Rajouri, Udhampur,

deposited in banks. As a result, the balances with the banks rose from Rs. 1.91 crore to Rs. 18.94 crore during 2005-09. This practice, besides violating the rules and indicating lack of control over the spending of the subordinate offices, also resulted in overstatement of the expenditure during these years by these DSWOs. Similarly, test-check showed that Rs. 1.10 crore (Jammu: Rs. 0.30 crore; Kashmir: Rs. 0.80 crore) released during 2005-09 under National Old Age Pension Scheme/National Family Benefit Scheme were credited into treasury by 15 TSWOs without referring the same to DSWOs¹⁴, resulting in reporting of excess expenditure to that extent by the DSWOs. The DSWOs stated that instructions to TSWOs to report the matter before taking such action had since been issued. Moreover, detailed accounts for Rs. 121.73 crore advanced by six DSWOs¹⁵ of Jammu Region were not submitted by 31 TSWOs during 2005-09. However, no such case was seen in respect of Kashmir Division.

3.7.7 Inadmissible expenditure

Funds amounting to Rs. 1.12 crore¹⁶ under NOAPS/NFBS/ISSS were unauthorisedly utilized by 12 DSWOs, between 2005-09, on items¹⁷ outside the scope of the schemes, resulting in denial of benefits to the intended beneficiaries to that extent. The DSWOs stated that such practices would be avoided in future.

3.8 Programme implementation

The welfare activities by the Department are carried out through Centrally Sponsored (CSS) and State Sponsored Schemes (SSS). Two State sponsored schemes viz. Integrated Social Security Scheme (ISSS) and Contributory Social Security Scheme (CSSS) and two Centrally Sponsored Schemes viz. Integrated Child Development Scheme (ICDS) and National Social Assistance Programme (NSAP) were test-checked in audit. The important audit findings are detailed below.

3.8.1 Integrated Child Development Services

The Integrated Child Development Services (ICDS) was launched (October, 1975) in the State for delivery of an integrated package of services comprising supplementary nutrition, immunization, health check-ups, referral services, nutrition and health education and non-formal pre-school education in order to reduce incidence of mortality, morbidity, malnutrition, school drop-outs, improve nutritional and health status of children in the age group under six years and enhance the capacity of the mothers to look after the normal health and nutritional needs of the children. The focal point of the scheme was the Anganwadi centre, which was managed by honorary workers selected from the local community at the project level. The immunization, health check-ups and referral services were to be delivered at the Anganwadi centres through a network of health services at the Primary Health Centres (PHCs). The audit findings relating to implementation of these schemes are discussed below.

¹⁴ Anantnag, Baramulla, Doda, Jammu, Kathua, Kupwara, Pulwama, Srinagar and Udhampur

¹⁵ Doda, Jammu, Kathua, Poonch, Rajouri and Udhampur

¹⁶ Jammu: Rs. 34 lakh as of March 2008; Kashmir: Rs. 78 lakh as of March 2009

¹⁷ Computers, fuel, gas heaters, steel racks, telephone charges, etc.

3.8.1.1 Supplementary Nutrition

One of the main components of ICDS is to supplement¹⁸ the intake of nutrition of children below six years and pregnant/lactating mothers/adolescent girls. Malnourished children were also to be given therapeutic nutrition on medical advice. As per the guidelines the identified beneficiaries were to avail of nutrition for 300 days in a year. The expenditure and the coverage of beneficiaries are given below:

Table 3.1.3

Year	Allocation	Expenditure	Unspent	Target	Achievement	Shortfall (Percentage)
	Rupees in crore			Number of beneficiaries		
2005-06	39.97	30.51	9.46	5,40,080	3,25,718	40
2006-07	66.11	47.70	18.41	5,40,280	4,80,338	11
2007-08	100.57	54.70	45.87	7,35,000	6,00,147	18
2008-09	101.03	76.76	24.27	7,60,903	7,10,146	7

(Source: Departmental records)

Though the Department could not provide supplementary nutrition to all the beneficiaries despite allocation of sufficient funds to cover the targeted beneficiaries, it was heartening to note that the shortfall in achievement of targets came down from 40 *per cent* to seven *per cent* during 2005-09.

The shortfall in achievement of the target was attributed by five¹⁹ CDPOs to non-receipt of required quantity of nutrition items from the suppliers approved by the Provincial Level Purchase Committee. In seven CDPOs²⁰ (out of 15) test-checked, provision for supplementary nutrition ranged between 66 to 275 days during 2005-08 due to non-availability of nutrition items for the full 300 days with them. In reply CDPOs stated that non-provision of supplementary nutrition was due to late finalization of annual rate contract.

The above points are also re-enforced by the following aspects noticed in test-check in audit:

- No nutrition was provided (June 2008 to November 2008) to Anganwadi Centres (AWCs) under DSWO Pulwama due to non-availability of stocks as the rate contract for purchase of stock was not finalised. It was also noticed that CDPO, Srinagar had not distributed (March 2008 to July 2008) the other ingredients to AWCs despite having full stocks due to non-verification of stock/supply by a committee.
- As per the guidelines, each Anganwadi centre (AWC) was to cover a population of up to 1,000 in rural/urban areas, 700 in tribal and 300 in hilly areas. Audit scrutiny showed that in the seven²¹ CDPOs (out of 15 test-checked), average coverage of beneficiaries in the centres ranged between 119 and 997 people which was significantly lower than the prescribed coverage. It was also noticed that two to 11 AWCs were created in the same *Mohalla*/village, which had resulted in high cost of

¹⁸ Children below six years: 300 calories and 8-10 gm proteins: Pregnant/lactating mothers and adolescent girls : 500 calories and 20-25 gms of proteins

¹⁹ Reasi, Doda, Mandi (Poonch), Haveli (Poonch), Rajouri

²⁰ Batwara, Khyanyar, Pampore, Pattan, Shopian, Srinagar and Tangmarg

²¹ Batwara, Khanyar, Kupwara, Pampore, Pulwama, Shopian and Srinagar

establishment and non-provision of the facilities to the deserving in some other location.

3.8.1.2 Health check-ups and referral services

As per the guidelines, health care for children below six years of age, antenatal care of expectant mothers and post natal care of nursing mothers are to be provided by Auxiliary Nurse-cum-Midwives (ANM) and Medical Officers attached to primary health centres/sub-divisional/district hospitals. These services include regular health check-ups, immunization, management of malnutrition, etc. Audit scrutiny showed that necessary basic survey data to identify such cases was not maintained in any of the five test-checked CDPOs/AWCs in Jammu Division, No data of intended beneficiaries referred to health centres/district hospitals, etc. as mal-nourished or for general check-ups was maintained at Anganwadi centre level during 2005-08. The centres also did not maintain record of referral slips/cards. Growth surveillance of children was to be monitored by recording serial height and weight of each child. General check-ups, every three to six months, to be conducted to detect evidence of disease were also not done. Test-check showed that weight charts were maintained in 430 out of 577 centres and height charts were not maintained in any centre. These were, however, maintained in the test-checked centres in Kashmir Division. In absence of data relating to referral services and basic growth surveillance, the achievement of the objective of scheme could neither be tracked by the department nor verified in audit.

3.8.1.3 Nutrition and Health Education

Nutrition and Health Education was to be imparted to women, especially nursing and expectant mothers, in the age group of 15-45 years through publicity, home visits by Anganwadi workers conducting awareness sessions through demonstration/awareness programmes, etc. It was seen in audit that the targets for conducting nutrition and health education sessions and home visits during 2005-09 were fixed by the Department in Jammu Division. In the 17 Anganwadi centres (Jammu Division) test-checked, no basic records of home visits undertaken by Anganwadi workers were maintained to enable verification of the correctness of figures incorporated in their monthly progress reports. No film shows were conducted, due to non-availability of projectors/slides or due to equipment being out of order, though envisaged in the programme guidelines. Survey had, however, been conducted in Kashmir division.

3.8.1.4 Training Programmes

For the success of the ICDS Scheme, community participation is an essential ingredient for which training is to be imparted. The World Bank sponsored ICDS training programme (Project UDISHA) was introduced in J&K State with a view to develop all the functionaries of ICDS into agents of social change, creating awareness on ICDS activities in the target groups such as Village Council Members, Womens' Organizations and to sensitize and train the community to optimize their involvement. The position of allotment/expenditure for training during 2005-09 was as under:

Table 3.1.4

(Rupees in crore)

Year	Funds released	Expenditure	Saving with percentage
2005-06	3.10	0.50	2.60 (84)
2006-07	2.64	2.00	0.64 (24)
2007-08	0.25	Nil	0.25 (100)
2008-09	0.25	Nil	0.25 (100)

(Source: Departmental records)

As a result of non-conducting of training programmes, community participation could not be achieved to the optimum level. The Deputy Director, Jammu attributed (April 2009) the shortfall to delay in selection process and cash crunch. The reply is at variance with the figures depicted in the above table. The Department, although in possession of adequate funds, could not utilize these on the envisaged programmes.

Regarding the training to be provided to the ICDS functionaries, it was seen in audit that out of 140 CDPOs, only 64 *per cent* had undergone job training and only 31 *per cent* had undergone refresher courses. It was also seen that only 38 *per cent* supervisors were imparted training out of the targeted member of 974 during 2005-09. The target for job training and refresher course in respect of Anganwadi workers during 2005-09 was not achieved and shortfall was 33 *per cent*. As a result, the envisaged committee of beneficiaries could not be involved in creating social change. The orientation for Village Council Members to be held as per ICDS guidelines had neither been targeted nor undertaken at any level.

3.8.1.5 Co-ordination

For smooth and co-coordinated implementation of the scheme, co-ordination committees of functionaries of Social Welfare, Health and Family Welfare Departments were to be set up at the village/project/district/State levels. Records of Jammu division revealed that though committees were set up at village and project levels, no such committees had been formed at State and district level. Similarly, Village Primary Health Centres and project level co-ordination committees were not set up nor had the State Nutrition Council been established, as envisaged.

3.8.1.6 Field visits/supervision

Implementation of ICDS was to be monitored through field visits by the CDPOs and Supervisors. While CDPOs were required to visit Anganwadis for 18 days in a month, the Supervisors were to visit each Anganwadi centre at least once a month. In five test-checked projects²² (Jammu), the shortfall in required visits of CDPOs and Supervisors ranged between 19 and 94 *per cent* during 2005-09. The joint visits by Supervisors with Health staff were also not undertaken. No visits were undertaken by any officer from Administrative Department. The shortfall in visits was attributed by the CDPOs to shortage of CDPOs and supervisory staff, non-availability of vehicles, etc. The required number of visits had, however, been conducted in Kashmir Division in test-checked offices indicating that field supervision was carried out as per the norms.

22

One unit of ICDS is classified as a project

3.8.1.7 Non-formal pre-school education

Under this programme, children between three and six years of age were to be imparted non-formal pre-school education in Anganwadi centres for providing and ensuring a natural, joyful and stimulating environment with emphasis on necessary output. For optimal growth and development, the Anganwadi centres were to establish links with schools so that a child could move from an Anganwadi to a school with necessary emotional and mental preparation. It was seen in audit that none of the test-checked Anganwadi centres in Jammu Division had maintained any records to show that the children identified/admitted (2005-08) into the centres had continued their studies and that Anganwadi centres had established any links with elementary schools to assess whether the establishment of centres had helped the children in increasing communication skills, etc. Due to the non-maintenance of these records, the impact of the scheme could not be assessed. The CDPOs stated that necessary survey would be conducted. Test-check showed that survey was carried and records thereof were properly maintained in Kashmir Division.

3.8.1.8 Monitoring and evaluation

There was lack of monitoring of almost all the components of the scheme both at the State and District level. Basic records relating to family survey, immunization, referral services, supplementary nutrition/distribution, etc. had not been maintained in any of the five test-checked CDPOs (Jammu) and watched by three²³ test-checked Programme Officers (Jammu). Further, no watch on receipt of Monthly Progress Reports/feed back reports from projects and submission of different reports to the GOI had been kept. No voluntary organisation had also been entrusted with the job of monitoring the scheme. The CDPOs and POs stated that necessary steps would be taken in this regard. It was, however, seen that a committee to monitor the progress of the scheme was constituted (August 2008) in Kashmir Division. The impact of the scheme has not been evaluated by any agency during 2005-08.

3.8.2 National Social Assistance Programme (NSAP)

National Social Assistance Programme, a 100 *per cent* Centrally Sponsored Scheme comprising three²⁴ sub-schemes, was introduced in 1995-96 out of which two schemes, viz. National Old Age Pension Scheme (NOAPS) and National Family Benefit Scheme (NFBS) are being implemented in the State. Under NOAPS, old age pension is to be provided to the destitutes (male or female) above 65 years of age with no regular means of own subsistence income or financial support from other sources. The year-wise targets and achievements under NSAP are indicated in the table below:

²³ Doda, Jammu and Udhampur

²⁴ National Old Age Pension Scheme (NOAPS); National Family Benefit Scheme (NFBS); National Maternity Benefit Scheme (NMBS)

Table 3.1. 5

Year	Target	Achievement	Percentage	Funds released	Expenditure	Savings
	Number of beneficiaries			(Rs in crore)		
2005-06	61,650	68,877	112	19.77	17.81	1.96
2006-07	81,130	78,739	97	24.38	21.78	2.60
2007-08	92,092	83,803	91	47.27	24.27	23.00
2008-09 ²⁵	1,38,646	1,27,274	92	44.78	31.00	13.78

(Source: Departmental records)

The fact that the achievements overshoot the target in 2005-06 and the targets for the years 2006-09 had almost been achieved in full while there have been persistent savings, which were particularly high at Rs. 23 crore in 2007-08, shows that either the fund requirements had been grossly over estimated or the achievement claimed has not been actually achieved.

The State Government had ordered (2002-03) enhancement of cash assistance from Rs. 75 to Rs. 200 and subsequently (April 2008) to Rs. 325 per month per beneficiary²⁶. The GOI had also enhanced (April 2006) pension to Rs. 200 per month. Additional central assistance (ACA) of Rs. 3.27 crore, against the requirement of Rs. 9.71 crore to cover the enhancement in rates, for 2006-07 were released (February 2007) by GOI for payment of arrears. It was seen that the amount released by GOI was utilized, after being retained for more than one year by the State Government, for payment of regular pension and no arrears were paid.

Pension assistance was being authorized without taking into cognizance the basic criterion of age (65 years) fixed for assistance under the provisions of the scheme. Out of the 20,179 cases test-checked pertaining to the period 2005-08, it was seen that in 10 (out of 12) DSWOs²⁷, 136 beneficiaries were paid (September 2006 and January 2009) pension without verification of the age and resulted in inadmissible payment of Rs. 32.65 lakh to 489 beneficiaries below the age of 65 years. The DSWOs stated that all such cases would be looked into and the amounts recovered.

For weeding out ineligible beneficiaries who had become self sufficient, the District Level Committee (DLC)²⁸ had never reviewed/checked the implementation of the scheme in any DSWOs test-checked in audit and as such correctness of weeded out cases could not be verified in audit. Scrutiny, however, showed that 1,815 cases in Jammu division for 43 tehsils had been weeded out during 2005-09 by the TSWOs. Due to non-involvement of the DLC, impartiality and transparency in the weeding out exercise could not be ensured. Test-check in Kashmir division however, showed that weeding out of ineligible beneficiaries was in order.

3.8.2.1 Inadmissible payment under National Family Benefit Scheme

NFBS assistance of Rs. 10,000 is payable in lump sum to households below poverty line (BPL) on the death of the primary bread winner, provided the age of the deceased ranges between 18 to 64 years. It was seen in audit that no data of eligible beneficiaries based on

²⁵ IGNOAPS was introduced during 2008-09

²⁶ (State share: Rs. 125 per month and central share Rs. 200 per month)

²⁷ Baramulla, Doda, Jammu, Kathua, Kupwara, Poonch, Pulwama, Rajouri, Srinagar and Udhampur

²⁸ Responsible for quarterly/annual review to ascertain whether beneficiary was self dependent

BPL criteria had been prepared at any level, in the absence of which the genuineness of the recommended beneficiaries was not susceptible to check. The Director, Social Welfare stated that the DSWOs had been directed to prepare the data of eligible beneficiaries. Audit scrutiny showed that 681 beneficiaries (out of 7,361) in 12 test-checked DSWOs (Jammu: 6; Kashmir: 6) were sanctioned the benefit of Rs.10,000 (lump sum) each without either ascertaining whether the beneficiaries belonged to BPL category and without verifying the age of the primary bread winner (18 to 64 years) at the time of his or her death, which were the basic criteria for sanctioning the benefit. This action of the Department resulted in inadmissible payment of Rs. 68.10 lakh during 2005-09. The District Social Welfare Officers stated that all such cases would be reviewed and inadmissible amounts paid to the beneficiaries recovered.

3.8.3 Integrated Social Security Scheme (ISSS)

To provide social cover to the destitute, widows/divorcees and the handicapped having no source of livelihood, the State Government launched (June 1994) the Integrated Social Security Scheme under which pension assistance/relief²⁹ was to be paid to each identified beneficiary. The position of targets and achievements in this regard is tabulated below:

Table 3.1.6

Year	Targets	Achievements	Shortfall percentage	Funds Released	Expenditure	Unspent
				Rupees in crore		
2005-06	1,95,138	1,73,932	11	47.38	41.91	5.47
2006-07	2,11,649	2,73,813	-	82.09	72.28	9.81
2007-08	2,91,612	2,75,612	6	79.39	67.34	12.05
2008-09	3,50,612	3,43,180	2	96.93	92.43	4.50

(Source: Departmental records)

As is clear from the above table, the demand for release of funds has not been commensurate with the physical targets. The significant points noticed are discussed in subsequent paragraphs.

The District Level Committee (DLC), with the District Development Commissioner as Chairman is to sanction pension/relief to the identified beneficiaries on the basis of verification conducted by TSWOs. No data of eligible beneficiaries, having meager support or source of livelihood, had been prepared at any level in Jammu division, in the absence of which the genuineness of the recommended beneficiaries was not susceptible to check. It was encouraging to see in audit that the data of eligible beneficiaries was maintained in Kashmir division.

The DLC was required to undertake quarterly and annual review of all sanctioned cases for weeding out ineligible beneficiaries who had become self sufficient. The requisite reviews/checks had not been made by the committee and, as such, the correctness of 6,466 cases weeded out (2005-09) in six DSWOs of Jammu division test-checked in audit could not be verified. Due to non-involvement of DLC, impartiality and transparency in the exercise could not be ensured as it was done by the same TSWOs who had allowed the benefits in the first instance. No random checks had been conducted by District Development Commissioners or DSWOs to keep a vigilant eye on ineligible

²⁹ Rs. 200 per month (55-60 years of age); Rs. 300 per month for women above 40 in distress

beneficiaries. The DSWOs, however, stated that the DLC would be involved in future and necessary survey would be got conducted. Test-check, however, showed that the survey was conducted in Kashmir division to weed out the ineligible beneficiaries.

Assistance to the physically handicapped under ISSS is required to be paid through money orders. The assistance is credited to bank accounts of the respective TSWOs by the DSWOs through cheques/advices. After preparing money orders for each beneficiary, the TSWOs deposit the same with post offices for further disbursement. Scrutiny of the records of DSWO, Rajouri showed that only 14 to 21 *per cent* of the beneficiaries were disbursed assistance through money orders and assistance in respect of other beneficiaries was credited to their bank accounts. Test-check also showed that none of the beneficiaries under the scheme were paid assistance through money orders in six DSWOs³⁰ of Kashmir Division. Further, it was seen that Rs. 78.20 lakh³¹ had been returned (2005-08) as undischursed amount of pension assistance through money orders by TSWOs. It was indicative of the fact that the money was released in excess as no proper survey of beneficiaries was conducted. The Department had suffered an avoidable loss of Rs. four lakh (five *per cent* of Rs. 78.20 lakh) as money order charges. Further, Audit check showed that Rs. 3.58 crore³² received back from banks as unclaimed amount was lying with five TSWOs in their bank accounts as of March 2009. No steps had been taken to scrutinize the merits of each case recommended in order to facilitate remittances/refund of these unclaimed amounts.

3.8.4 Contributory Social Security Scheme (CSSS) for marginal workers

The State Government introduced (2004-05) the Contributory Social Security Scheme (CSSS) for marginal workers in the age group of 20 to 50 years. The workers are to be covered by providing them Social Security of Rs. 100 per month for a period of 10 years, provided, income of the beneficiary from all sources does not exceed Rs. 30,000 per annum. Matching contribution is also required to be paid by the beneficiary and both contributions are to be deposited in a Bank for a period of 10 years during which no withdrawal is allowed except in case of death of the beneficiary. After 10 years, the beneficiary has an option to either withdraw the amount or opt for a pension scheme to be evolved by the Bank.

The position of allotment and expenditure during 2005-09 is indicated in the following table:-

³⁰ Anantnag, Baramulla, Budgam, Kupwara, Pulwama and Srinagar

³¹ Anantnag: Rs. 3.62 lakh; Doda: Rs. 1.19 lakh; Jammu: Rs. 36.03 lakh; Kathua: Rs. 14.92 lakh; Poonch: Rs. 5.94 lakh; Pulwama: Rs. 0.71 lakh; Srinagar: Rs. 1.37 lakh and Udhampur: Rs. 14.42 lakh

³² Doda: Rs. 3.45 crore; Jammu: Rs. 4.79 lakh; Kathua: Rs. 5.14 lakh; Poonch: Rs. 0.77 lakh and Udhampur: Rs. 3.50 lakh

Table 3.1.7

(Rupees in crore)

Year	Fund allocation	Expenditure (percentage)	Target (In number) (requirement of funds per year)	Achievement (requirement of funds)	Percentage shortfall in achievement of targets
2005-06	2.40	0.32 (13)	10,000 (1.20)	1,395 (0.17)	86
2006-07	2.20	0.42 (19)	12,567 (1.50)	3,144 (0.37)	75
2007-08	1.40	0.98 (70)	13,300 (1.60)	1,889 (0.23)	86
2008-09	0.80	0.41 (51)	53,300 (6.40)	3,427 (0.41)	94

(Source: Departmental records)

The extremely low percentages of achievement indicate dismal performance of the scheme in the State. Projections have not been based on any survey through which the actual number of beneficiaries could be identified. As a result, there have been huge unspent balances, at the close of each year. Further, the Department could disburse only Rs. 1.18 lakh to the beneficiaries during 2005-09. The DSWOs attributed the poor utilisation of funds to non-conducting of enrolment, incomplete submission of application forms and non-contribution of matching share by the beneficiaries. It was also seen that there was nothing on record to show that the Jammu and Kashmir Bank has evolved any scheme for payment of pension as envisaged. Although the scheme was successful in Pulwama District, it was not implemented in other districts of Kashmir Division except for Baramulla and Kupwara. The Director, Kashmir stated that due to poor response from marginal workers, the scheme could not be implemented as envisaged. The Department had not conducted any exercise to identify the defaulting beneficiaries who had stopped contributing. Action taken to have the money lying in the Bank accounts of the defaulters transferred to the Government account was not intimated.

3.9 Manpower Management

Eighteen officials, including 10 CDPOs, remained attached with Jammu Directorate for periods ranging from two to 33 months in addition to the regular strength, during 2007-09. Their services were not utilised gainfully for the purpose for which they had been appointed. The salaries of these officials were reimbursed 100 per cent by the Government of India (GOI) under ICDS sector. The Department had paid Rs. 32 lakh as salary to these officials for the periods of attachment up to March 2009 without assigning any work.

Due to non-revival of six Cottage Industries Centres (Jammu: 5, Kashmir: 1), idle wages of Rs. 24.72 lakh had been paid to staff as no training had been imparted to the staff during April 2005 to December 2008 owing to non-availability of raw material, etc.

3.10 Inventory Control

Financial rules provide that physical verification of stores and administrative inspection of each office should be conducted annually. Scrutiny of records showed that administrative inspection was not conducted in 31 out of 35 offices test-checked during

2005-08. Similarly, physical verification of stores and stocks held was also not conducted in any of these test-checked offices during 2005-08.

3.11 Conclusion

The audit review showed that the flagship programmes of the Department have largely failed to meet expectations with one major scheme failing completely, and only some components succeeding to some extent in the case of other schemes. The unnecessary retention of huge undisbursed money in bank accounts and delays in finalization of rate contract for nutritive items under ICDS persisted. The financial management was also poor. The contributory factors attributable to failure of schemes include lack of proper planning, non-release of funds, non-adherence to eligibility criteria and lack of supervision and monitoring.

3.12 Recommendations

- Plans should be formulated by involving field functionaries to derive maximum benefit from various schemes, especially CSS.
- Projections for fund requirement should be realistically connected to survey and identification of beneficiaries.
- The department should draw up a strategy to ensure that payments for pensions/relief benefits etc. under various schemes are being paid through individual banks accounts to the beneficiaries.
- Funds should be released to the implementing agencies in time for timely utilization.
- Monitoring mechanism should be strengthened at various levels to achieve the objectives of the department.
- Effective measures should be taken for supply of Supplementary Nutrition to the beneficiaries in the Anganwadi centres for 300 days in a year.
- Recording growth surveillance data in ICDS sector should be ensured.