

# Chapter 11 - School Education Department

## 11.1 Department profile

The pattern of School Education in Andhra Pradesh is 5+2+3 i.e., 5 years of Primary Education, 2 years of Upper Primary Education and 3 years of Secondary Education. The Directorate of School Education deals with all the matters relating to School Education and caters to the educational needs of children up to Class-X. The main objective of the department is to ensure enrolment of all the children in the age group of 6-15 years.

## 11.2 Organisational setup

The Department carries out its activities to achieve the above objectives through several Directorates involving various projects. The Commissioner and Director of School Education (Commissioner) at the State level, and the District Educational Officers (DEOs) at the district level are responsible for implementing the projects under the overall supervision of the Principal Secretary to Government in School Education Department. The Headmasters of the schools concerned supervise at school level.

## 11.3 Implementation of ICT Policy

The 'Information and Communication Technology' (ICT) policy of GoI relative to school education aims to devise, catalyse, support and sustain ICT and ICT enabled activities and processes in order to improve access, quality and efficiency in the schooling system. The State Government initially implemented (June 2002 – June 2007) a project for 'computer education in 1000 schools' for imparting computer education to children of classes VI to X<sup>1</sup>. Execution of the project was entrusted to various agencies<sup>2</sup> on Build, Own, Operate and Transfer (BOOT) basis. The project was extended twice, i.e., from December 2007 to December 2008 and from December 2008 to December 2009. In continuation of this project and in accordance with the ICT policy of GoI, the State Government also took up (June 2008 and November 2009) implementation of two Centrally sponsored projects viz., 'ICT-5000' (project period: 2008-13) and 'ICT-1300' (project period: 2009-14). Out of the total 10,331 high schools<sup>3</sup> under its control, the State Government envisaged coverage of 7,300 schools as part of these three projects. The schools were selected by the Government, based on the availability of buildings and infrastructure in the schools. Scrutiny revealed that the implementation of the projects suffered in the State due to poor planning, lack of compliance with tendering procedures, lack of synchronization of implementation schedule with academic years, etc.

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<sup>1</sup> Zilla Parishad, Residential (SW/TW), Municipal and Government schools

<sup>2</sup> (i) 1000 schools - NIIT, EVERONN and APTECH; (ii) ICT-5000 NIIT (2,005), IEG (1,031), Educomp (890), Everonn (405), ECIL (186), Terrasoft (280) and Social Computers (203) and 1300 schools - NIIT (468), IEG (255), Educomp (254), EVERONN (130), ECIL (63), Terrasoft (66) and Social Computers (64)

<sup>3</sup> Government (703), Zilla Parishad (8,201), Municipalities (305) and others (APREIS, etc.: 1,122)

## 11.4 Audit objectives

Audit of implementation of computer education in schools was taken up with the objective of assessing whether

- the objective of initiating these projects was achieved;
- adequate funds were released by the GoI/State Government and whether these were in accordance with the assured levels;
- selection of firms for implementing the projects was fair and transparent;
- agreements entered into with the agencies for implementation of the projects were fool proof and safeguarded the financial interests of Government; and
- upgradation and continuing education of teachers was achieved and guidance, counselling and academic support was provided to students.

## 11.5 Audit Scope and Methodology

As part of our audit, during the year 2010-11, implementation of Computer Education in schools (especially the Centrally sponsored ICT-5000 and ICT-1300 Projects) by the School Education Department was specifically focussed upon to assess the scheme in a comprehensive manner.

Implementation of ‘Computer Education Project in 1000 schools’ was earlier reviewed in Audit and the findings were included in the C&AG’s Audit Report for the year ended 31 March 2004. Some of the important observations included therein related to incorrect selection of firms, avoidable extra cost, deficient selection of schools, non-provision of internet access as envisaged, undue benefit to firms which did not develop websites, and deficiencies in implementation of the scheme. Follow up action to address these deficiencies in implementation had not been reported to us so far (November 2011).

The current review of implementation of the ICT-5000 and ICT-1300 projects in schools for the period 2008-11 was carried out during July - November 2010 through a test-check of the records in the offices of the Commissioner and the DEOs in six<sup>4</sup> districts. Records of 543 schools<sup>5</sup> (out of 1,359 schools<sup>6</sup>) in these six districts in which the ICT projects were implemented were also scrutinised on a sample basis. Our examination revealed that the concerns brought out in the Audit Report for the year ended March 2004 were not fully addressed by the State Government and similar shortcomings continued in the implementation of the new projects.

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<sup>4</sup> East Godavari (Kakinada), Karimnagar, Khammam, Krishna, Vizianagaram and YSR

<sup>5</sup> East Godavari (132); Karimnagar (77); Khammam (96); Krishna (79); Vizianagaram (88) and YSR (71)

<sup>6</sup> East Godavari (321); Karimnagar (277); Khammam (224); Krishna (226); Vizianagaram (143) and YSR (168)

## Audit findings

### 11.6 Financial Management

#### 11.6.1 Allocation and expenditure

The ICT-5000 and ICT-1300 schools projects are funded by the Central and the State Governments on 75:25 basis. Details of the project cost, funds released *vis-à-vis* expenditure incurred as of March 2011 are shown in Table-11.1.

Table-11.1

(₹ in crore)

Name of project	Project cost	Funds to be released to end of 2010-11		Funds actually released		Expenditure	
		GoI	State	GoI	State	GoI share	State share
ICT-5000	335.00	225.00	75.00	141.00	34.50	136.22	14.27
ICT-1300	87.10	48.75	16.25	15.00	5.00	9.75	Nil
Total	422.10	273.75	91.25	156.00	39.50	145.97	14.27

Source: Information furnished by Commissioner and Director of School Education

Both the Central and the State Governments were tardy in releasing their share of funds. A sum of ₹ 10.03 crore released by the GoI to the State Government has not been released to the implementing agencies. Consequently, pending utilisation of funds released earlier, the GoI had not released further instalments of its share. The State Government had also not released about 57 per cent of its share of funds, as of 31 March 2011.

### 11.7 Project Implementation

#### 11.7.1 Selection of Implementing Agencies

**ICT-5000 Project:** Engagement of private sector agencies for providing IT education was one of the core activities under the project. Government, therefore, constituted a Tender Evaluation Committee<sup>7</sup> in January 2008 to open and evaluate bids and to submit its recommendations for consideration and approval of the Tender Approval Committee<sup>8</sup> constituted (June 2008) for the purpose. The Tender Approval Committee identified six agencies<sup>9</sup> after following due tendering process. All six were awarded contracts for implementing the project in 3,969 schools. However, in addition to these six firms, Government, in gross violation of rules, awarded a contract (June 2008) for implementation of the project in 1,031 schools in six<sup>10</sup> districts to another agency *viz.*, Institute for Electronic Governance (IEG), **which had not tendered for the project**. Government justified (August 2011) selection of IEG on nomination basis on the ground that it was a society promoted by the Department of Information Technology and Communication. The reply is not acceptable since the selection of IEG was outside the purview of tender process.

<sup>7</sup>comprising Additional Secretary to Government, School Education Department, Director/SCERT, Additional Director of School Education, Centre for Good Governance, a representative of Secretary to Government, Information Technology and Communication Department and CAO/Office of DSE

<sup>8</sup> comprising Principal Secretary, School Education Department, Secretary, IT&C Department, Director of School Education, Director/SCERT and a representative of the Finance Department

<sup>9</sup> ECIL, Educomp, EVERONN, NIIT, Terrasoft and Social Computers

<sup>10</sup>Hyderabad, Khammam, Nizamabad, Ranga Reddy, Srikakulam and Vizianagaram

**ICT-1300 Project:** For implementation of this Project, Government had not called for any tenders for selection of agencies. However, Government entrusted (November 2009) the implementation of ICT-1300 Project also to the agencies to whom contracts had been awarded under ICT-5000, without following the tendering process. The selection was done on the basis of performance reports of these agencies from all the DEOs. Although shortcomings were reported by the DEOs of four districts<sup>11</sup> with regard to performance of these agencies, those were ignored. It is pertinent to note that deficiencies like non-installation of computers in schools, non-appointment of instructors, etc. attributable to IEG during the implementation of ICT-5000 had been reported by the DEOs. Despite this, IEG was again selected for implementation of ICT-1300 project along with the other agencies.

Government replied (August 2011) that, in view of the GoI stipulation that the project was to be commissioned by 2009 and could, in no case, be allowed to spillover to the next financial year, the contracts under ICT-1300 had to be allotted to agencies including IEG already entrusted with the implementation of the ICT-5000 Project. The contention of the Government in regard to IEG was not acceptable as IEG should not have been selected keeping in view its poor performance in ICT-5000 Project. The selection of IEG both under ICT-5000 Project and ICT-1300 Project as a strategic ally was misconceived and injudicious, and ultimately impacted adversely the entire computer literacy of children at large, as discussed in paragraph 11.8.1.

### 11.7.2 Deficiencies in Agreements

An assessment of the agreements with the agencies selected for implementation of the projects revealed the following:

- Specific milestones were not fixed and incorporated in the agreements in respect of all components of the projects.
- The agreements did not include component-wise details of cost of equipment and services, which is fraught with the risk of non-performance by the vendors as it did not involve any penalty for failure to comply with the terms of the agreements.
- Penalty clause was restricted only to two components, viz., (a) absence of instructors, and (b) downtime of computers. The agreements did not provide for any penalties or other remedies for non-performance in other important aspects such as non-supply of course material, provision of power back up, internet facility, training of teachers and Headmasters, etc. In the absence of penalty clause covering all aspects, no action could be taken by the department against the executing agencies for aforementioned failures/shortcomings.

Government while accepting the audit observation stated (August 2011) that action would be taken for modification of MoU to impose penalty for non-provision of all the services mentioned above. Government also stated that component-wise cost details and services would also be incorporated in the MoU with the contracting agencies.

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<sup>11</sup> Hyderabad, Nizamabad, Srikakulam and Vizianagaram

### 11.7.3 Procurement of hardware/software

As per the terms of the contract with the implementing agencies/firms, the latter were to provide the hardware and the State Government was to procure the software. However, since the Government did not specify the operating system and the applications to be installed on the computers while inviting bids, the Technical Evaluation Committee could not prescribe any specifications relating to the software to the agencies. Consequently, the software initially **procured by the State Government (June - July 2008) at a cost of ₹ 26.60 crore** proved incompatible with the hardware supplied by the implementing agencies and had to be **abandoned**. The project was thus, implemented with Windows Operating System available with the implementing agencies.

The Government accepted the audit observation but contended that lower versions of the operating software were automatically available as part of higher level operating software procured by it. The contention is incorrect because hardware and software must have compatibility irrespective of its level.

The Tender Evaluation Committee requested the Government to get an acceptance test conducted by APTS<sup>12</sup> to check the hardware and software installed in the schools. However, permission was not accorded by the Government, for reasons not on record. As a result, hardware was installed in the schools without any acceptance test. Government did not indicate as to how the risks/consequences of not conducting the acceptance test were being addressed and at what cost.

### 11.7.4 Selection of the same 1000 schools under ICT 1300 Project

‘Computer Education in 1000 schools project’ was a State project wherein it was proposed to impart computer education in 1000 schools. The project was initially implemented for five years (2002-07). As the academic years generally end in March/April, any extension of the project period should be concurrent with the academic year. The project was however, extended<sup>13</sup> for one year from December 2007 and another year thereafter till December 2009 and was abruptly closed in the middle of the academic year. By delaying the initial extension from June to December 2007, a cycle of extensions was established which was not in synchronization with the academic calendar of the State Education Department.

Further, while conceiving the ICT-1300 Project, the Tender Approval Committee recommended that 1000 schools of ‘computer education in 1000 schools’ project be included in ICT-1300 schools project as ‘1000 schools project’ which was started in 2002 with 100 *per cent* State funds would end by December 2009 and if included in ICT-1300 Project these 1000 schools could continue to receive ICT education for next five years. As the Computer Education Project (1000 Schools) had been implemented through private firms in a project mode, it was imperative that the Government made arrangements for continuation of computer education in these schools even after completion of the project period.

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<sup>12</sup> AP Technology Services, a State PSU

<sup>13</sup> at an annual maintenance cost of ₹ 22.92 crore

We however, observed that, Government had not made any arrangements for training the teachers or appoint faculty during the entire project period. Consequently, computer education in these schools could not be sustained after closure of the project particularly when computers, transferred by the private agency under the BOOT arrangement adopted for implementing the project, were already available. Due to this lacuna, ***the same 1000 schools had to be selected once again*** under the GoI sponsored ICT-1300 Project also ***thereby depriving 1,000 new schools of the benefit of computer education.***

Further, while awarding contracts to the agencies/firms under ‘ICT-1300 Project’, availability of computers in the 1000 schools was not factored in by the department and the new agencies contracted under ICT-1300 installed their own computers in these 1000 schools. ***This resulted in not only foregoing the benefit of using the existing equipment, but also avoidable expenditure on procurement of new computers.*** Since the contract was awarded on a lump sum basis exact amount of avoidable expenditure could not be worked out.

In five<sup>14</sup> sampled districts, it was observed that, all the 2,504 computers installed in the 212 schools covered under ‘Computer education in 1000 schools project’ had been dumped (December 2009) aside (as illustrated by the photograph of one of the sampled schools in Khammam district given alongside) to facilitate installation of computers under ‘ICT-1300 Project’.



Government High School, Shantinagar,  
Khammam (30 July 2010)

Government while confirming the audit finding stated that action would be taken to use/dispose of the old computers duly following the existing procedure.

***Thus, due to lack of planning and deficiencies in preparing tenders, the objective of extending computer education to 1000 new schools under ‘ICT-1300 Project’ as envisaged in GoI guidelines, had not been achieved. As against the envisaged coverage of 7,300 schools, only 6,300 schools could be covered under the three projects.***

### 11.7.5 Penal clause not enforced

As per clause 18.2 of the agreement entered into with the agencies, if the equipment was down for more than three calendar days in a month, penalty could be levied at the rate of 1.5 times of notional amount payable to the executing agency per day. In 466 out of 543 schools in the five<sup>15</sup> (except Karimnagar) sampled districts, 2.08 lakh days of downtime were recorded in respect of 5,091 out of 5,927 computers. This was attributed to theft, non-installation, non-working of computers, etc. The agencies had not addressed the problems within the stipulated time of three days. Scrutiny of the payments made to the implementing agencies however, revealed that, penalty imposed on them for the downtime were not actually recovered/adjusted. Since the Headmasters were not reporting these shortcomings

<sup>14</sup> Karimnagar, Khammam, Krishna, Vizianagaram and YSR

<sup>15</sup> East Godavari (Kakinada), Khammam, Krishna, Vizianagaram and YSR

in the Monthly Performance Reports submitted to DEOs, there is every possibility of similar deficiency having occurred in all the schools across the State, thereby involving huge drain on the resources.

Government in its reply stated that penalties were imposed on the agencies. We however, observed that the amount of penalties have not yet been recovered/adjusted against the defaulting firms as of August 2011.

## **11.8 Implementation of the projects in the test checked schools**

### **11.8.1 Districts entrusted to IEG**

IEG had been entrusted with the implementation of ICT-5000 and ICT-1300 projects in six districts. Of these, two districts viz., Khammam (96 schools) and Vizianagaram (88 schools) were test checked in audit and the following were observed:

- Although the projects commenced in December 2009, computers were not installed in any of the schools as of August 2010. Thus, though the same schools in which the 1000 schools project was implemented were again identified under 'ICT-1300 Project' also, the objective to continue computer education without interruption had been defeated, since the hardware supplied under the earlier project was removed and new systems had not been installed (August 2010).
- Of the 1,975 computers installed in 184 schools, as many as 690 computers (about 35 *per cent*) were not functional.
- Eighty two *per cent* of the total downtime (2.08 lakh days) of computers in 543 schools in the six districts was in the schools where IEG implemented the two projects.
- As against 1,840 teachers to be trained in 184 schools test checked in Khammam and Vizianagaram districts during the two year period 2008-10, only 219 teachers (12 *per cent*) were actually trained.
- In 46 *per cent* of schools (85 out of 184 schools), internet access was either not provided or was not functional.

Government replied (August 2011) that the DEOs had been instructed to take action on the deficiencies pointed out in Audit.

### **11.8.2 Non-maintenance of log book**

As per the agreement, the contractor firm was to maintain a log book for recording downtime of the computers and other accessories. In majority of the schools test checked, log book duly recording downtime was not maintained.

We also observed that, none of the Headmasters/DEOs in the 543 schools test checked in the six districts reported the downtime to the Commissioner. As a result, no penalty was imposed on the agencies leading to excess payment of ₹ 1.62 crore to the agencies.

Government replied that the DEOs had been asked to issue instructions to all the Headmasters to ensure that agencies maintain log books in the computer lab.

### 11.8.3 Training to teachers

The agreements stipulate that the agency should impart training in each school to at least five teachers including the Headmaster in each year. In 466 schools test checked in five out of six districts (except Karimnagar), out of 2,330 teachers to be trained per year, the agencies had trained only 1,267 teachers (short fall: 46 *per cent*).

As these projects were implemented on BOOT basis and the computers were to be handed over to the schools after completion of the project period, there is a risk of discontinuation of the projects beyond the project period due to lack of teaching faculty/maintenance of infrastructure, as already observed in the case of 1000 schools project.

Government while accepting the audit observation stated that DEOs would be directed to issue instructions to all the Headmasters to ensure that 5 teachers per year undergo the requisite training.

### 11.8.4 Non-replacement of stolen computers

The agreements with the agencies also stated that, no equipment should be down for more than 3 calendar days over a one month period and that a penalty of 1.5 times of notional amount would be payable by the executing agency per day, if the equipment is down for more than three calendar days in a month. Scrutiny revealed that in a majority of the test checked schools, the agencies had not replaced the computers that had been stolen and where replaced, it was done after prolonged delays (ranging from a minimum of 42 days to a maximum of 651 days). This in turn adversely affected computer training to the students due to reduced availability of computers.

In many cases further, theft of computers was not reported by the Headmasters/DEOs in the Monthly Performance Reports. Thus, there is an inherent risk of overpayment to the agencies in respect of computers actually not being available.

Government stated that, DEOs would be instructed to mention the theft cases in the monthly reports.

### 11.8.5 Internet Access

The agreements also stipulated that internet connection should be provided by the contracting agency in each school under both the ICT-5000 and ICT-1300 projects. We noticed that, in 20 *per cent* of the schools (103<sup>16</sup> out of 543 schools) test checked in the six districts, internet connection was not provided. In another 39 schools<sup>17</sup>, although internet connection was provided, it was not working. There is no evidence on record to show that payments to the implementing agencies/firms were reduced to that extent.

Government in its reply stated that penalties were imposed on the agencies. We however, noticed that amounts of penalties were yet to be recovered/adjusted from the defaulting agencies as of August 2011.

<sup>16</sup> East Godavari: 21, Karimnagar: 17, Khammam: 33, Krishna: 3, Vizianagaram: 16 and YSR: 13

<sup>17</sup> Khammam: 6, Krishna: 1, Vizianagaram: 30 and YSR: 2



### **11.8.6 Monthly Progress Reports**

As per the guidelines, the Headmasters (HMs) of the schools are responsible for close monitoring for effective implementation of the projects. Monthly Performance Reports (MPRs) form the basis for making deductions/imposing penalties on the contractor agencies. In all the test checked schools in Vizianagaram and YSR districts, it was observed that facts regarding the deficiencies were not reflected in the MPRs both by HMs and the DEOs, leading to excess payments to the contracting agencies/firms as there is no scope of imposing penalties in such cases. There were also adverse press reports about the incorrect projection of details of implementation of the scheme in the Monthly Progress Reports by the authorities concerned.

Government accepted the audit observation and assured that instructions would be issued to all DEOs to recheck the MPRs and initiate action for recovery of any excess paid amounts to the agencies.

### **11.8.7 Evaluation of performance of students**

One of the important aspects while implementing a scheme is to obtain feedback regarding the scheme from an agency other than the executing agency. In the instant case, the task of obtaining feedback was entrusted to the executing agency/firm itself instead of to an independent agency. As a result, the accuracy of feedback cannot be vouchsafed. Further, the Headmasters of the schools concerned were not involved in this important exercise.

Government stated that based on the remarks of Audit, a decision would be taken in the matter.

### **11.9 Conclusion**

*Though the initiatives taken by the State Government in the area of Computer Education to School children are laudable, implementation of the projects in the State suffered due to poor planning, lack of compliance with tendering procedures, non-synchronization of implementation schedule with academic years, failure to ensure continued computer education after closure of the project, poor monitoring, etc. State Government had not addressed many of the concerns raised in earlier Audit Report of 2004, resulting in a repeat of all the major shortcomings pointed out in that Report. Consequently, the envisaged objective of the ICT policy of GoI to impart computer training to students early on, to bridge the digital divide in the country and to prepare the youth for greater participation in the socio-economic development and creation of a knowledge based society in the country remained largely unachieved.*

### **11.10 Recommendations**

- Specific milestones with clear timelines should be fixed and incorporated in the agreements in respect of each component of the project duly entailing penalties for non-performance by vendors.

- State Government should ensure strict compliance with the goals of GoI's ICT policy and formulate a comprehensive plan to continue the computer education in schools even after the closure of the project.
- Feedback about the implementation of the project by the agencies should invariably be obtained through an independent agency not associated with the project.